

Houston

Office - Q3 2026

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Availability declines as trophy and premier Class A space tightens

As Houston's office market continued to stabilize in Q3 2026, the overall availability rate declined to 26.2%, down 60 basis points (bps) from 26.8% year over year. The Woodlands posted the lowest availability rate among Houston submarkets at 14.4%. As trophy and premier Class A space remained scarce, availability in this segment decreased to 12.7%, supporting elevated asking rents for top-quality buildings. The widening gap between asking rents for these assets and the overall market reflected sustained occupier preference for higher-quality, amenity-rich office environments.

Class A leasing drives Houston office demand

Total leasing volume moderated to 2.2 million square feet (msf), 11.8% below the five-year quarterly average. Leasing activity was characterized by small- to mid-sized transactions. As the flight to quality persisted, Class A space accounted for nearly 70.0% of leasing activity. As organizations refined their workplace strategies, leasing decisions increasingly prioritized operational efficiency, space quality and employee experience rather than footprint reduction alone. Several large tenants were engaged in active lease negotiations, indicating that demand for higher-quality office space would remain strong in Houston in the coming quarters.

Owner-user sales activity gains momentum

Notable sales activity emerged in Q3, highlighted by The Williams Companies' \$300.0 million purchase of its namesake, Williams Tower at 2800 Post Oak Boulevard. This transaction marked one of the largest single-property office sales in Houston by price since 2019. The company had occupied the 1.4-million-square-foot building for more than 40 years. The acquisition reflected a broader increase in owner-user sales activity in Houston as occupiers took advantage of lower valuations to acquire properties at prices well below replacement cost. This demand supported the broader office market by strengthening fundamentals, helping stabilize property values and removing available space.

KEY STATISTICS

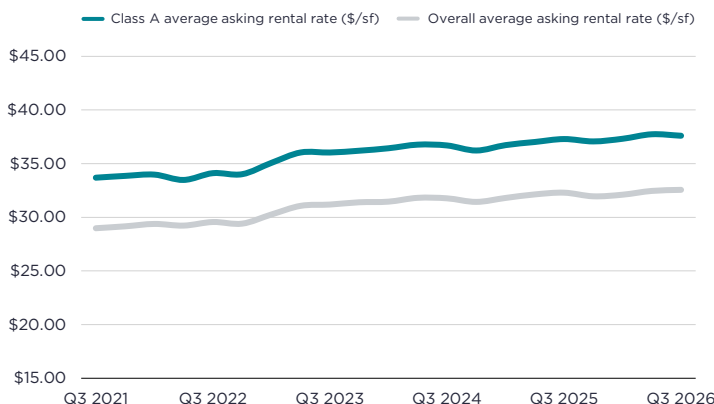
	Q3 2025	Q3 2026	Y-O-Y
Inventory	196.2 msf	196.0 msf	-0.2 msf
Availability rate	26.8%	26.2%	-60 bps
Asking rental rate	\$32.30	\$32.56	+0.8%
Class A asking rental rate	\$37.02	\$37.74	+1.9%
Quarterly leasing activity	2.9 msf	2.2 msf	-0.7 msf
Available sublease space	5.5 msf	4.6 msf	-0.9 msf

Outlook

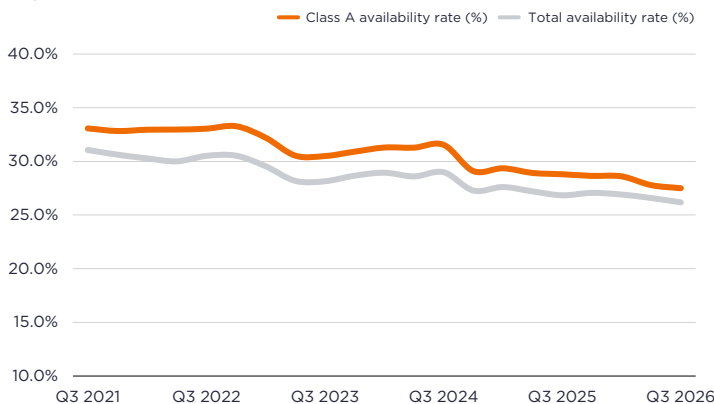
- 01** Favorable pricing conditions are expected to encourage further owner-user acquisitions, providing continued momentum for office sales activity.
- 02** Competition for modern, well-located office space is likely to intensify as the supply of high-quality inventory becomes increasingly limited.

- 03** As availability in top-tier buildings decreases, tightening supply may support the start of new speculative office development in Houston in the coming quarters.

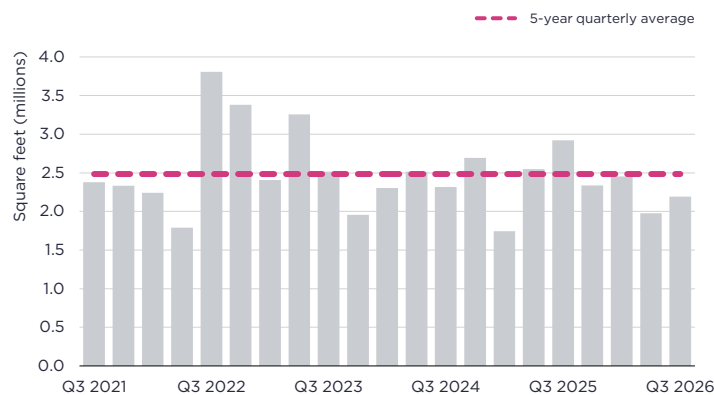
ASKING RENT



AVAILABILITY



LEASING ACTIVITY

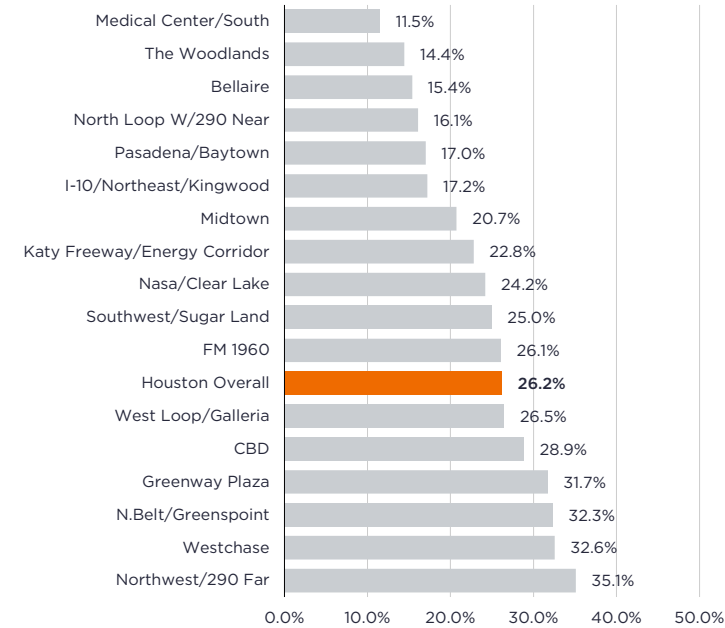


NOTABLE LEASES

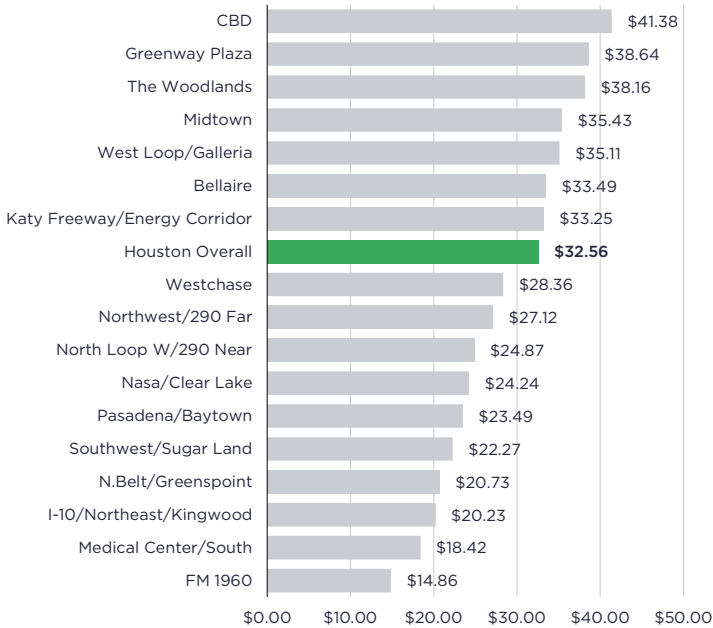
*Trophy building **Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
Harris County Flood Control District	Government	Northwest/290 Far	4425 Westway Park Boulevard	86,743	Relocation
Marathon Petroleum	Energy & Utilities	CBD	500 Dallas Street	56,749	Renewal & Expansion
Target Hospitality	Real Estate	The Woodlands	1790 Hughes Landing Boulevard	52,234	Relocation
Michels	Architecture, Engineering & Construction	Katy Freeway/Energy Corridor	12140 Wickchester Lane	50,380	Relocation**
Spaces	Coworking	West Loop/Galleria	1980 Post Oak Boulevard	38,712	Renewal
The Dinerstein Companies	Real Estate	Greenway Plaza	3737 Buffalo Speedway Avenue	36,971	Relocation
Trendsetter Engineering	Architecture, Engineering & Construction	Northwest/290 Far	1002 Noble Energy Way	26,316	New Location
Ensign Natural Resources	Energy & Utilities	Northwest/290 Far	1002 Noble Energy Way	26,316	Relocation
Aquatech	Manufacturing	Katy Freeway/Energy Corridor	1080 Eldridge Parkway	26,074	Relocation
PURIS	Architecture, Engineering & Construction	The Woodlands	3831 Technology Forest Boulevard	25,051	Relocation**

AVAILABILITY RATE COMPARISON (%)
HOUSTON SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)
HOUSTON SUBMARKETS



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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills