

# E Fort Bend Commercial Real Estate Trends

Lisa Bridges Director of Market Research | Houston

## Office Market

The Fort Bend office submarket posted 11,031 SF of positive net absorption in Q4 2018, an 85% decrease from the previous quarter. The average vacancy rate fell 10 basis points (bps) from 10.7% to 10.6% over the quarter and the average quoted rental rate decreased slightly by 1.0% from \$26.69 to \$26.42 per SF. There are no buildings currently under construction.

## Medical Office Market

The average quoted rental rate increased over the quarter from \$29.10 to \$29.41 per SF. The average vacancy rate rose 100 bps from 11.5% in Q3 2018 to 12.5% in Q4 2018. Leasing activity decreased from 81,400 SF to 13,800 SF over the quarter. One building was under construction in the E Fort Bend/Sugar Land submarket in Q4 2018 and it delivered in January 2019. The new 38,600-SF two-story medical office building located at 7619 Branford Place, is 10% leased.

## Industrial Market\*

The average industrial vacancy rate decreased 170 basis points from 6.2% to 4.5% over the quarter. The submarket recorded 473,448 SF of positive net absorption during Q4 2018, down from the 656,098 SF of positive net absorption recorded in Q3 2018. The average quoted rental rate rose marginally over the quarter from \$6.84 per SF to \$6.99 per SF. Over 1M SF of industrial space is under construction. The largest project under construction is a 477,355-SF speculative distribution center located in the Southwest Commerce Center in Missouri City, TX. Trammell Crow Company has 4 buildings currently under construction in Park8Ninety that are scheduled to deliver in Q2 2019. Dollar Tree recently announced plans to build a 1.2M SF distribution center in Rosenberg. Construction is scheduled to commence this Spring.

## Retail Market

The average asking rental rate for the Fort Bend retail submarket increased to \$23.14 per SF in Q4 2018 from \$22.21 per SF in Q3 2018. The submarket recorded 37,812 SF of negative net absorption in Q4 2018, and the vacancy rate increased by 80 bps over the quarter. Two properties totaling 71,500 SF delivered during Q4 2018 and there are currently ten properties containing 163,400 SF under construction. The largest project is the 28,500-SF Rivergate Plaza located in Missouri City, TX. The shopping center is expected to be completed in May 2019.

### Market Indicators

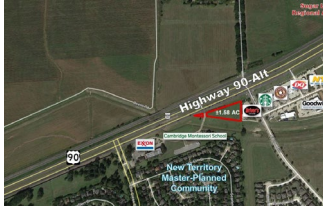
	Q3 2018	Q4 2018	
<b>OFFICE</b>			
VACANCY	10.7%	10.6%	↓
NET ABSORPTION	80,793	11,031	↓
RENTAL RATE	\$26.69	\$26.42	↓
<b>MEDICAL OFFICE</b>			
VACANCY	11.5%	12.5%	↑
NET ABSORPTION	14,155	3,848	↓
RENTAL RATE	\$29.10	\$29.41	↑
<b>INDUSTRIAL</b>			
VACANCY	6.2%	4.5%	↓
NET ABSORPTION	656,098	473,448	↓
RENTAL RATE	\$6.84	\$6.99	↑
<b>RETAIL</b>			
VACANCY	4.1%	4.9%	↑
NET ABSORPTION	331,995	(37,812)	↓
RENTAL RATE	\$22.21	\$23.14	↑

Data Source: CoStar Property

\* For the purpose of this report, the geographical boundaries previously used for the Fort Bend industrial submarket have been updated to include buildings that are typically considered by our clients when they are seeking locations in the Fort Bend/Sugar Land and Missouri City areas.

# Representative Properties

## Land



**±1.58-AC COMMERCIAL PAD SITE**  
Master-Planned Community Pad Site  
Hwy 90A, Sugar Land, TX



**ROSENBERG CORNER LOT**  
13,500-SF Lot for Commercial Development  
Hwy 90A & Hwy 36, Rosenberg, TX

## Office



**SUGAR LAND MEDICAL OFFICE**  
Office Space for Lease  
1435 Hwy 6, Sugar Land, TX



**THE OFFICES AT LAKE POINT**  
Office Condominium for Lease  
1415 Hwy 6 S, Ste A-300, Sugar Land, TX

## Retail



**LEXINGTON SQUARE**  
Retail/Office Space for Lease  
16525 Lexington Blvd, Sugar Land, TX



**THE SHOPPES AT SIENNA PLANTATION**  
Retail Space for Lease  
Hwy 6/Sienna Plantation, Missouri City, TX

## Industrial

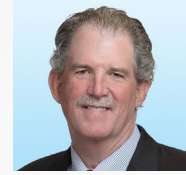


**13340 S GESSNER ROAD**  
6,000-SF Warehouse/Office for Sale  
13340 S Gessner Rd, Missouri City, TX



**24610 FRANZ ROAD**  
Redevelopment / Sale Leaseback  
24610 Franz Rd, Katy, TX

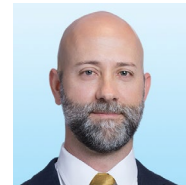
## FORT BEND TEAM



**Kolbe Curtice**  
Managing Director | Fort Bend  
281 494 4769  
kolbe.curtice@colliers.com



**Jim Pratt**  
Principal | Fort Bend  
713 830 2147  
jim.pratt@colliers.com



**Barkley Peschel**  
Senior Vice President | Fort Bend  
281 242 2300  
barkley.peschel@colliers.com



**Jason Scholtz**  
Vice President | Fort Bend  
281 269 3444  
jason.scholtz@colliers.com