Record-breaking development activity. The Northeast submarket contains 37 million sq. ft. of inventory, with Warehouse/Distribution representing 29 million sq. ft. of that total, Manufacturing 7 million sq. ft., and Flex space 580,000 sq. ft. Of the more than 579 million sq. ft. of industrial buildings in Houston, the Northeast submarket represents 6.3% of the total stock. Vacancies have been gradually rising due in part to new inventory delivering with vacant space. The first quarter delivered a record-breaking 438,000 sq. ft., with an additional 835,200 sq. ft.—the second largest amount during a quarter—under construction. Parc Air 59 located in Humble represented 320,000 sq. ft. of space delivered with an availability rate of 51.4% to help meet the future demand for space.

Northeast Houston is on the rise. Generation Park is a 4,000-acre master-planned commercial park driving the expansion of one of Houston’s fastest growing economic and residential corridors, Lake Houston. Generation Park is home to TechnipFMC’s 173-acre campus, Stolt-Nielsen Limited’s future corporate campus and GHX Industrial’s headquarters and industrial facility at Lockwood Business Park, the development’s 25-acre industrial business park. The largest industrial occupiers in the submarket include Michelin North America (664,000 sq. ft.), Central Freight Lines (580,000 sq. ft.), ZXP Technologies (398,000 sq. ft.), and City Park Warehouse (347,000 sq. ft.). Ever growing, the largest projects under construction include the 685,400-sq.-ft. Air 59 Logistics Center; the 150,000-sq.-ft. warehouse at 8701 Miller Road 2 and Highway 90; and the 124,800-sq.-ft. Lockwood Business Park Building 2.

Pioneering underserved market. IKEA purchased just over 144 acres of land in Generation Park in the Northeast submarket. It is reported that Generation Park is expected to be home to between 1.2 million and 1.5 million sq. ft. of distribution space for IKEA. Also betting on the emerging industrial submarket is Clay Development & Construction who will break ground on a 214,300-sq.-ft. spec distribution center in Sheldon Business Park in 2019. The building will be built on 11.2 acres at North Lake Houston Parkway and East Sam Houston Parkway North.