

**Owner-occupied, design/build warehouses hot -- leasing is not ([Houston Business Journal](#))**

The owner-occupied industrial building market in Houston has been red hot. It is proving to be a bright spot in what has been a slow industrial real estate market over the past few years. This demand, along with the lack of quality freestanding buildings available on the market, has created a boom in the design/build and new construction market for office warehouse buildings. .

The shift to ownership by industrial users is occurring despite the fact that industrial rental rates today in many parts of Houston are the lowest they have been in several years, and concessions such as free rent or other favorable lease terms are available from more than a few landlords.

By and large, the demand to own warehouse property rather than lease has been driven by local and regional service and distribution companies. Through the down cycle of the past several years, public companies and large private companies have been selling off real estate assets and leasing space in order to increase their flexibility, reduce their debt and free up needed capital. Although the big boys are primarily leasing, corporate mergers and downsizing have helped to keep the leasing market soft.

The opposite is occurring with individually or family-owned companies which increasingly are looking to own their real estate.

**Full Article:** [http://boydcommercial.net/images/HBJ\\_DMB\\_Feb04.gif](http://boydcommercial.net/images/HBJ_DMB_Feb04.gif)