



WEST TEXAS

INDUSTRIAL

The industrial markets of Midland and Odessa remain key drivers of the Permian Basin’s economy, with strong energy-sector demand keeping vacancy rates stable and rental prices competitive. While smaller than major Texas metros, both cities maintain steady industrial growth, supported by measured development and strategic importance to oil and gas operations.

Midland’s industrial market remains tight, with a 6.4% vacancy rate—below the national average—due to limited new construction (0.5% of inventory). With strong demand from the energy sector, average asking rents stand at \$17.42/SF, significantly higher than national levels. While expansion lags behind major Texas metros, Midland’s industrial sector remains a crucial logistics hub for oil and gas.

Odessa’s industrial vacancy rate is 7.8%, in line with its five-year average. Over the past year, the market saw 80,300 SF of new deliveries and -3,223 SF of net absorption. With 14.4 million SF of inventory, including a 9,000 SF building on 6.617 AC listed for sale or lease by ERES, Odessa continues to offer steady opportunities for industrial users. Rents average \$13.35/SF, growing 0.60% annually, slightly below national trends but reflective of Odessa’s stable market.

While Midland commands higher rents driven by its strong ties to the energy sector, Odessa offers a more diversified industrial base, creating a balanced dynamic between the two markets. Both cities benefit from stable vacancy rates and disciplined development, contributing to the ongoing resilience of West Texas’ industrial landscape. Though national growth trends may accelerate more rapidly, demand in the region remains consistent, reinforcing Midland and Odessa’s roles as critical hubs for the energy and logistics industries. Notably, Midland’s recent wave of high-quality commercial construction has strengthened its employment base and introduced modern amenities that promise lasting benefits for the area’s long-term growth.

	ODESSA	MIDLAND	COMBINED AVERAGE
EXISTING INVENTORY (SF)	14.4 MIL	20.4 MIL	17.4 MIL
UNDER CONSTRUCTION (SF)	71,600	97,600	84,600
12 MO NET ABSORPTION (SF)	-3,223	120,512	58.6K
VACANCY RATE	7.80%	6.40%	7.10%
MARKET ASKING RENT / SF	\$13.35	\$17.42	\$15.39
MARKET ASKING RENT GROWTH	0.60%	0.20%	0.40%
12 MO SALES VOLUME	\$32.5 MIL	\$34.5 MIL	\$33.5 MIL
MARKET SALE PRICE / SF	\$80.00	\$121.00	\$100.50

*All data points sourced from CoStar 2025

**Texas is a non-disclosure state. Therefore, data points may vary by source and fluctuate over time.

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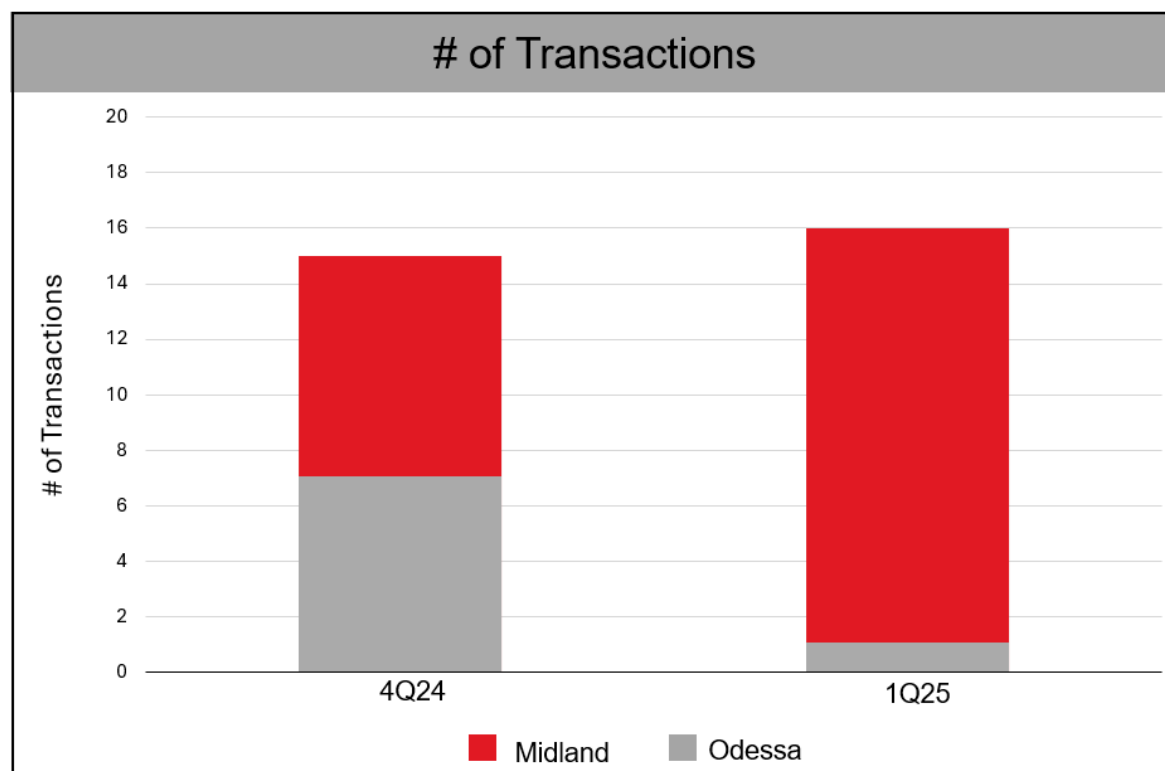
Q1 | 2025 MARKET RECAP

WEST TEXAS

LAND

The Odessa–Midland region showed continued strength and resilience in the land sector during Q1 2025, with Midland leading in transactional volume and Odessa holding firm with strong listing activity.

Odessa recorded a single land sale—a notable 11.76-acre parcel—during the first quarter. While sales activity was limited, the market remains active with five parcels currently listed, representing over \$5 million in total asking value. The stability in listing volume suggests sellers are confident in long-term demand, and the market appears to be positioning itself for increased activity as regional development momentum builds.



In contrast, Midland saw robust land sales activity in Q1, with 16 closed transactions across 60 acres. The healthy pace of sales reflects Midland’s ongoing appeal to both local and regional buyers seeking development-ready parcels in a high-demand market. Current asking prices on listings span a wide range—from \$40,000 to over \$14 million—with parcel sizes up to a sprawling 218 acres. This diversity supports various development types, from infill to large-scale projects. Of note, ERES currently has three smaller parcels available in Midland, ranging from 0.115 to 0.23 acres—ideal for boutique investors or specialized users seeking efficient, well-located sites within the urban core.

Together, Odessa and Midland continue to offer compelling land opportunities. While Odessa remains in a strategic pause, Midland’s active pace reflects a broader trend of growth across the Permian Basin. Both markets are well-positioned to benefit from ongoing industrial, residential, and infrastructure investment throughout 2025.

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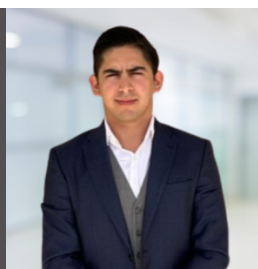


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