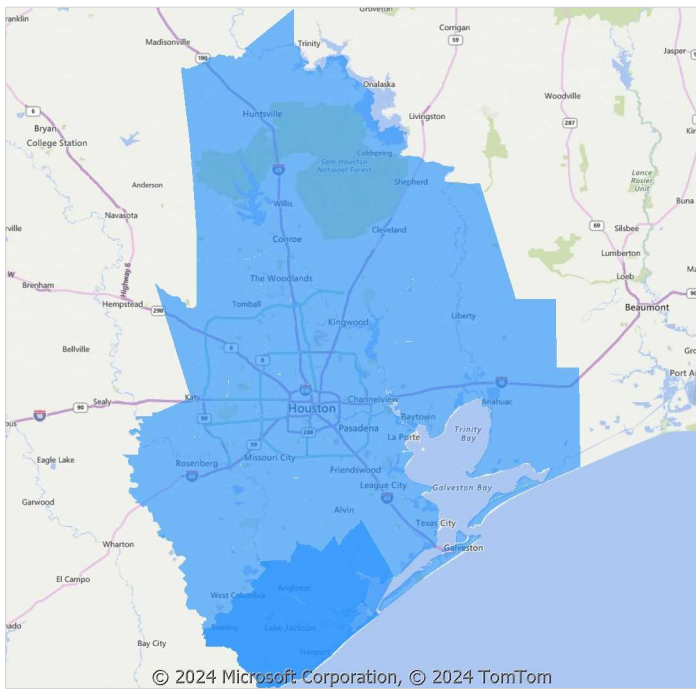


FEBRUARY 2024

# HOUSTON

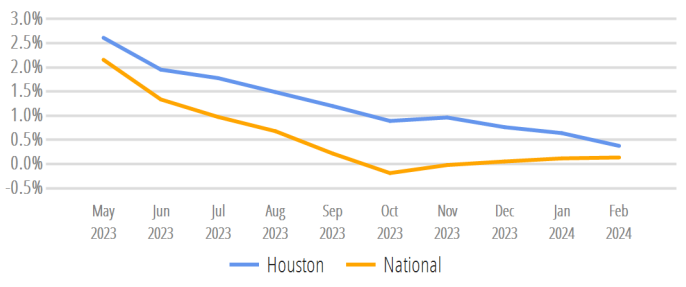
## MULTIFAMILY

RENTAL TRENDS  
SUPPLY/DEMAND  
EMPLOYMENT ANALYTICS

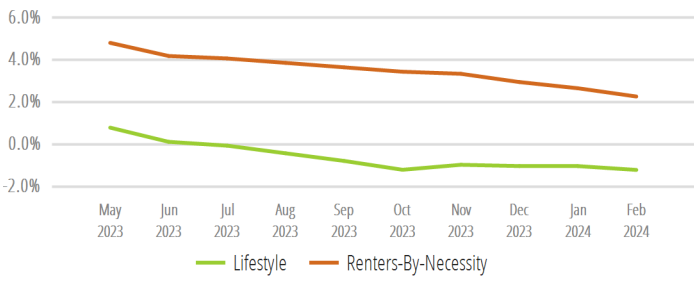


## RENTAL TRENDS

Houston vs National Rent Growth  
Year-over-Year



Houston Rent Growth by Asset Class  
Year-over-Year



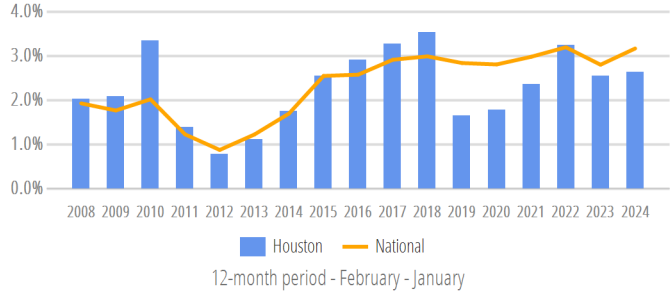
National Ranking Out of 121 Markets **93** Rent Growth [-11] **40** Employment Growth [-6] **57** Completions [+7]

## SUPPLY

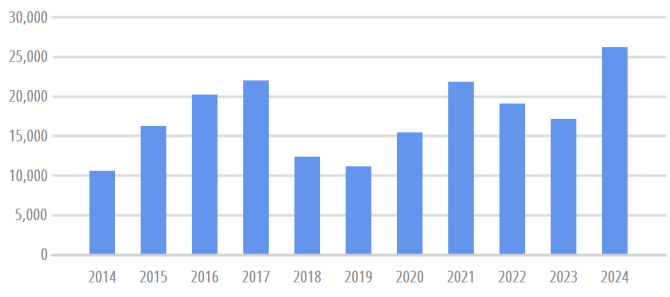
Inventory by Property Status  
# of Properties

<b>2,999</b> Completed 736,065 Units	<b>152</b> Under Construction 38,294 Units	<b>63</b> Planned 14,939 Units	<b>250</b> Prospective 49,643 Units
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Completions  
% of Existing Supply

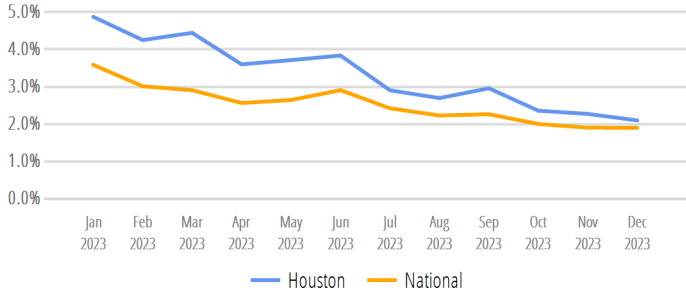


Completions  
Total Units



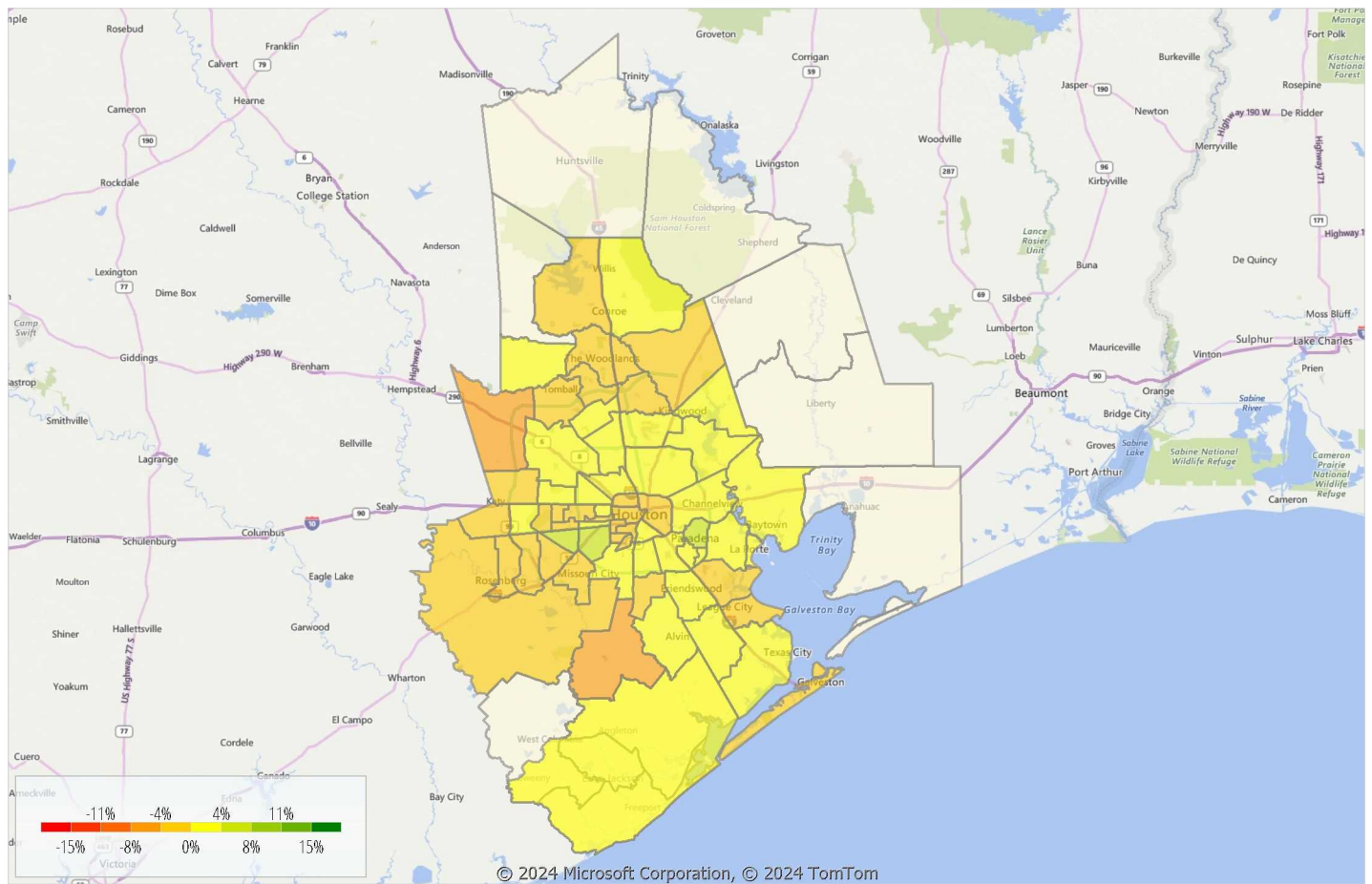
## DEMAND

Employment Percentage Change  
Year-over-Year



Employment Sector	Current Share	YOY Change
Education and Health Services	13.6%	24,700 5.6%
Trade, Transportation, and Utilities	21.0%	20,200 2.9%
Government	13.4%	11,200 2.5%
Professional and Business Services	16.5%	6,100 1.1%
Financial Activities	5.5%	4,800 2.6%
Manufacturing	6.9%	3,900 1.7%
Other Services	3.5%	1,600 1.4%
Leisure and Hospitality	10.1%	900 0.3%
Information	1.0%	-200 -0.6%
Mining, Logging and Construction	8.5%	-3,100 -1.1%

SUBMARKETS YEAR-OVER-YEAR RENT GROWTH



HIGHEST OVERALL PERFORMING SUBMARKETS

Submarket	Rent	Occupancy	YOY Change
Sugar Land - north	\$1,118	90.6%	5.1%
Pasadena	\$1,004	93.9%	5.0%
West Bellaire	\$1,018	93.1%	3.9%
William P Hobby Airport	\$1,033	92.1%	3.4%
Alvin	\$1,095	95.4%	3.3%

LOWEST OVERALL PERFORMING SUBMARKETS

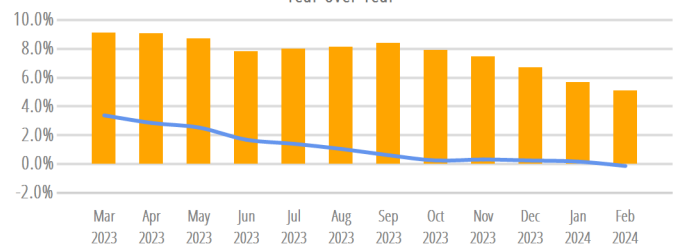
Submarket	Rent	Occupancy	YOY Change
West End/Downtown	\$2,069	93.8%	-2.6%
George Bush Park	\$1,311	93.2%	-3.2%
Outlying Fort Bend County	\$1,832	93.1%	-3.3%
Northwest Brazoria County	\$2,594	-	-4.5%
Northwest Harris County	\$1,757	92.4%	-5.4%

HIGHEST PERFORMING SUBMARKET - SUGAR LAND - NORTH

Properties	59
Units	15,075
Average Rent/Unit	\$1,118
Effective YOY Chg	5.1%

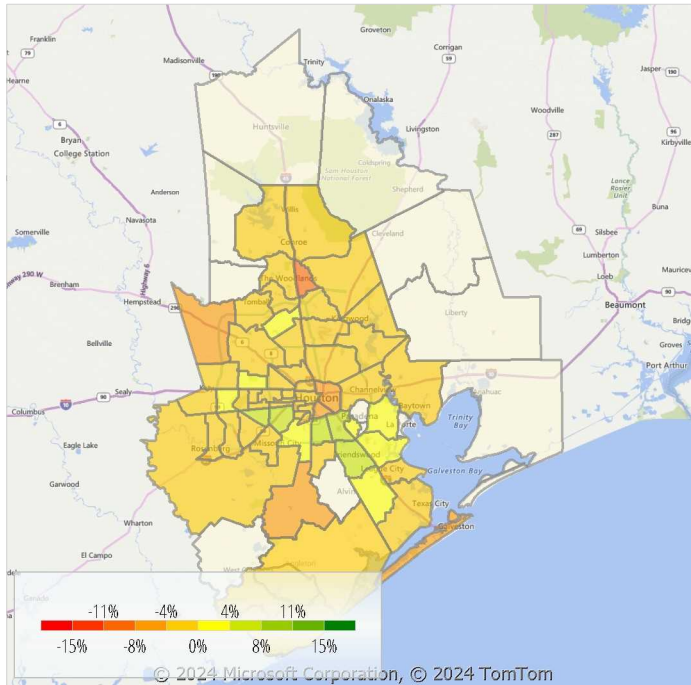


Submarket vs Overall Market Year-over-Year

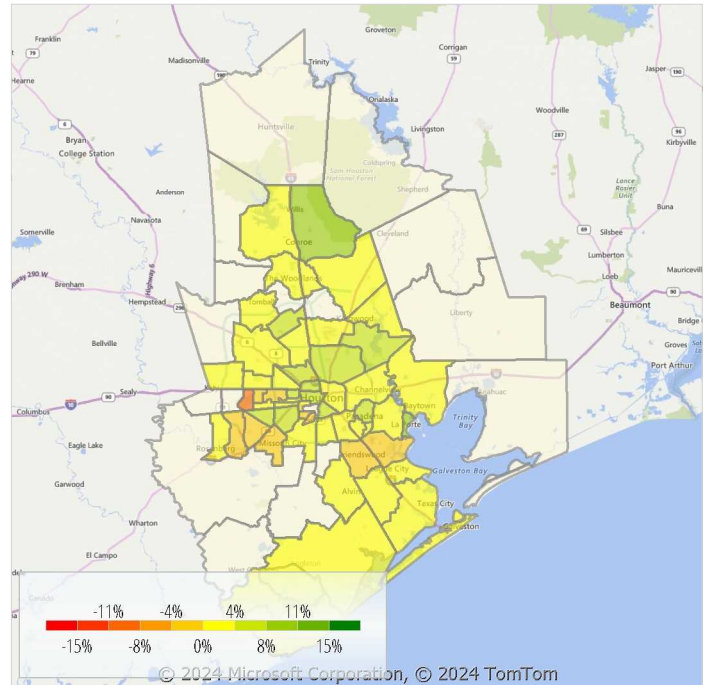


Submarket (orange bar) Houston (blue line)

LIFESTYLE APARTMENTS - YEAR-OVER-YEAR RENT GROWTH



RENTERS-BY-NECESSITY APARTMENTS - YEAR-OVER-YEAR RENT GROWTH



HIGHEST PERFORMING SUBMARKETS - LIFESTYLE


Submarket	Rent	Occupancy	YOY Change
West Bellaire	\$1,275	95.6%	6.4%
Pierce Junction	\$1,485	92.5%	5.3%
Pearland/Friendswood	\$1,570	94.4%	5.0%
William P Hobby Airport	\$1,331	90.1%	4.8%
Sugar Land - north	\$1,290	92.9%	3.9%

HIGHEST PERFORMING SUBMARKETS - RBN

Submarket	Rent	Occupancy	YOY Change
La Porte	\$1,080	96.8%	8.8%
Conroe - east	\$1,138	95.7%	7.9%
Mount Houston	\$1,050	90.2%	6.3%
GreaterThird Ward	\$1,205	94.2%	5.9%
Pasadena	\$1,003	94.1%	5.4%


WEST BELLAIRE

	Lifestyle	RBN	Overall
Properties	5	191	196
Units	823	54,455	55,278
Avg Rent/Unit	\$1,275	\$1,014	\$1,018
Effective YOY Chg	6.4%	3.8%	3.9%



LA PORTE

	RBN	Lifestyle	Overall
Properties	4	1	5
Units	277	294	571
Avg Rent/Unit	\$1,080	\$1,675	\$1,386
Effective YOY Chg	8.8%	-2.0%	1.8%



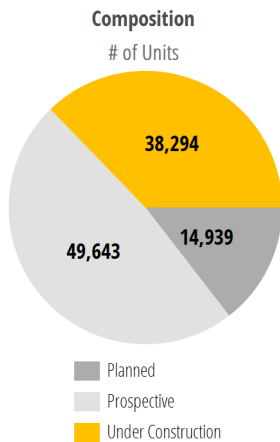
LOWEST PERFORMING SUBMARKETS - LIFESTYLE

Submarket	Rent	Occupancy	YOY Change
Northwest Brazoria County	\$2,594	-	-4.5%
East End	\$1,665	95.1%	-5.0%
Galveston	\$1,613	94.2%	-5.2%
Northwest Harris County	\$1,774	92.4%	-5.4%
The Woodlands - east	\$1,413	95.4%	-7.8%

LOWEST PERFORMING SUBMARKETS - RBN

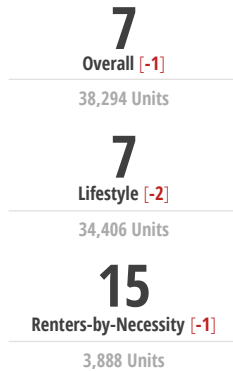
Submarket	Rent	Occupancy	YOY Change
Sugar Land - west	\$1,320	95.7%	-1.4%
Bunker Hill Village	\$1,221	90.3%	-1.5%
Bellaire	\$1,204	89.3%	-1.7%
Nassau Bay/Seabrook	\$1,166	91.9%	-2.0%
George Bush Park	\$1,188	92.9%	-7.5%

OVERALL DEVELOPMENT ACTIVITY



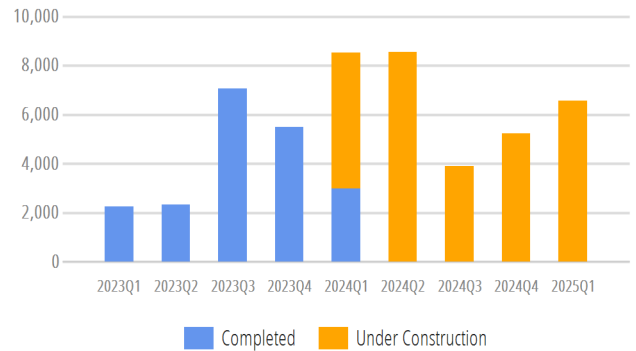
### National Ranking

Out of 121 Markets



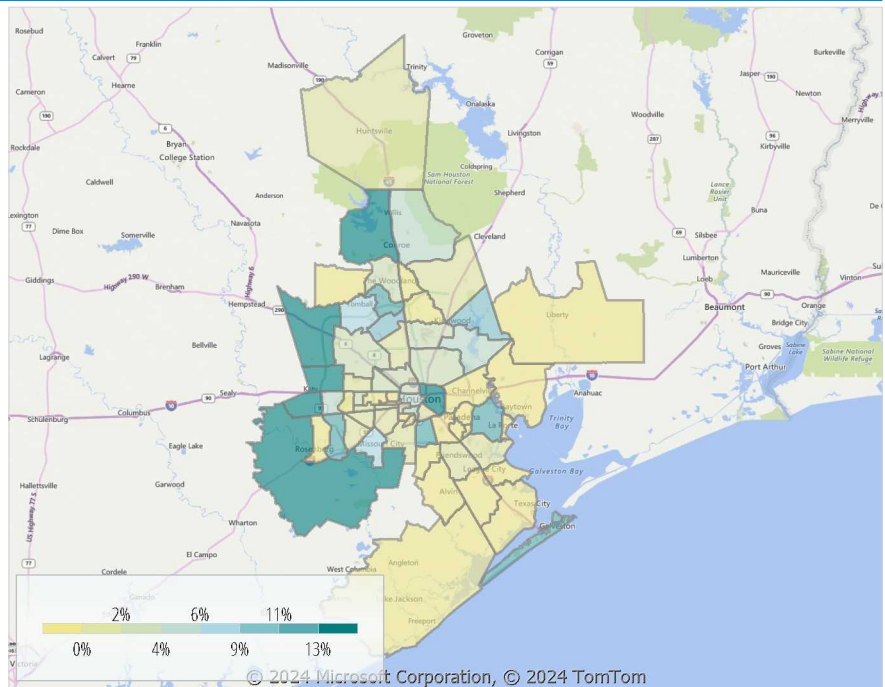
### Unit Completions by Quarter

Historic and Projected



PROJECTED COMPLETIONS AS % OF PRIOR INVENTORY - 12 MONTHS ENDING JANUARY 2025

Submarket	Growth	# Units
Outlying Fort Bend County	44.2%	854
Northwest Harris County	36.3%	879
Cinco Ranch - north	22.4%	2,801
East End	20.8%	2,077
Conroe - west	20.1%	1,576
Katy	14.8%	1,670
Galveston	12.3%	743
Richmond	11.7%	1,050
Avonak	11.4%	821
Pierce Junction	11.0%	702
Deer Park	10.7%	589
+ 32 More Submarkets		13,796
<b>Market Overall</b>	<b>3.7%</b>	<b>27,558 Units</b>



LARGEST COMMUNITIES UNDER CONSTRUCTION

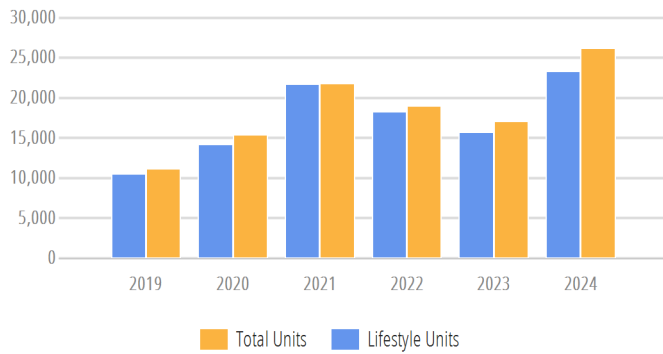
Project	Address	# Units	Developer
Pradera Oaks	19302 Pradera Meadows Loop Rosharon, TX 77583	812	Wan Bridge
Resia Ten Oaks	18036 Park Row Blvd Houston, TX 77084	573	Resia
X Houston	5501 La Branch Street Houston, TX 77004	475	X Company, The
Standard on the River, The	91 Jensen Drive Houston, TX 77020	432	Ojala Holdings
Birchway Spring Cypress	19101 Kuykendahl Road Spring, TX 77379	420	Greystar

TOP DEVELOPERS BY UNITS UNDER CONSTRUCTION

Developer	# Units	# Props
Alliance Residential Company	2,372	7
Wan Bridge	1,537	5
Wood Partners	1,398	4
Trammell Crow Residential	1,377	4
OHT Partners	1,301	4
Sueba USA	1,266	4
Guefen Development	815	3
Resia	813	2
Greystar	792	2
Mill Creek Residential	735	2

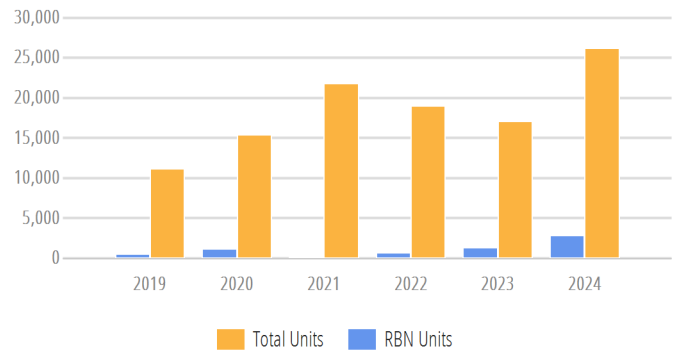
LIFESTYLE DEVELOPMENT ACTIVITY

Unit Completions  
Lifestyle Category

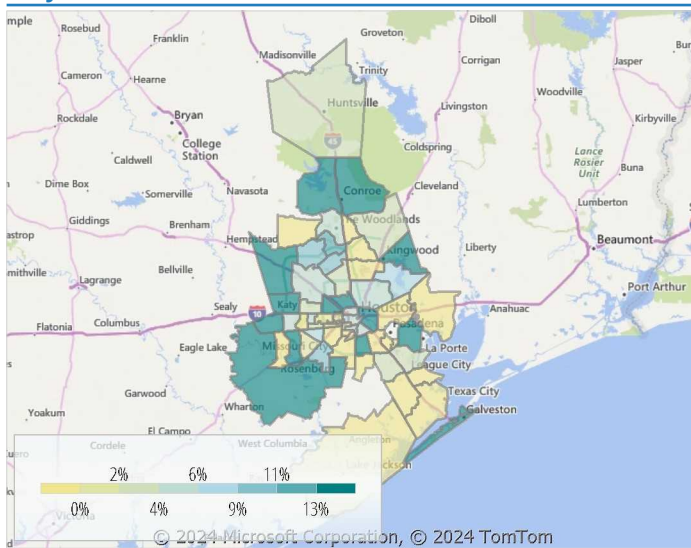


RENTERS-BY-NECESSITY DEVELOPMENT ACTIVITY

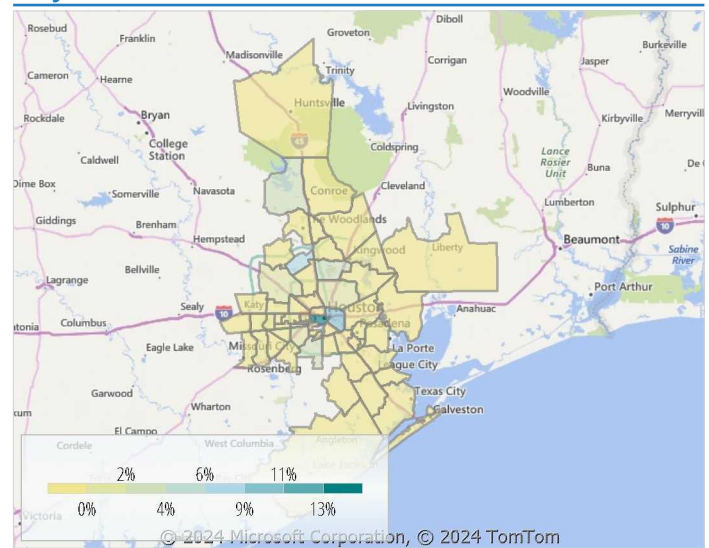
Unit Completions  
Renters-by-Necessity Category



PROJECTED LIFESTYLE COMPLETIONS AS % OF INVENTORY



PROJECTED RBN COMPLETIONS AS % OF INVENTORY



Submarket	Growth	# Units
Galveston	83.9%	743
Pierce Junction	58.7%	702
Outlying Fort Bend County	46.6%	854
East End	46.3%	1,443
Cinco Ranch - north	26.7%	2,801
Conroe - west	25.7%	1,525
Deer Park	25.6%	589
Northwest Harris County	25.0%	529
Kingwood	22.9%	289
Conroe - east	17.7%	218
Rosslyn	16.8%	711
+ 28 More Submarkets		14,013

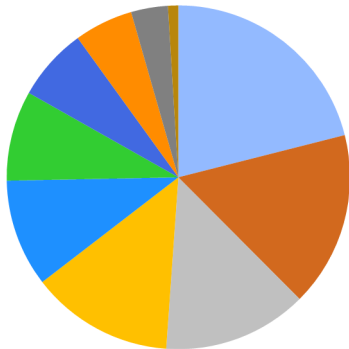
Market Overall **6.9%**  
24,417 Units

Submarket	Growth	# Units
West End/Downtown	14.7%	441
East End	9.3%	634
Louetta	8.2%	299
Humble/Westfield	4.3%	613
Missouri City	3.0%	155
Conroe - west	2.7%	51
Mount Houston	1.9%	288
Piney Point Village - south	0.9%	125
Jersey Village/Salsuma	0.8%	108
West Bellaire	0.1%	77
Northwest Harris County	N/A	350

Market Overall **0.8%**  
3,141 Units

EMPLOYMENT COMPOSITION BY INDUSTRY SECTOR

Employment Composition by Industry

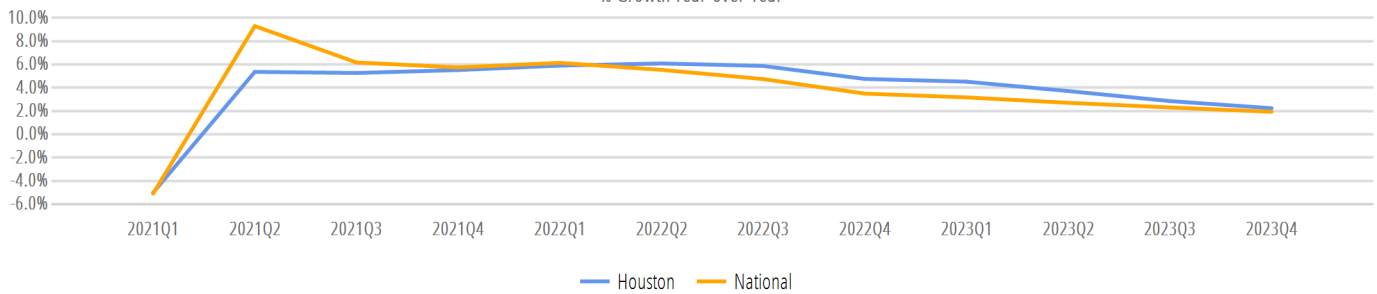


Employment Sector

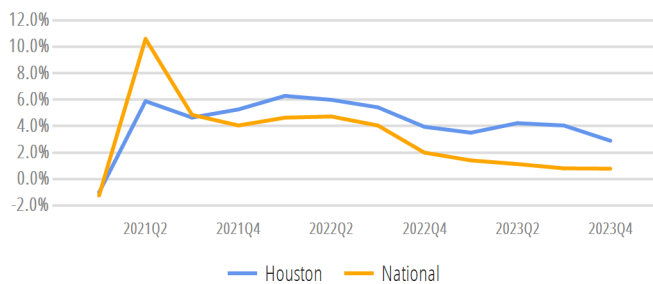
Employment Sector	Employment Jobs	% Share	National Rank	YOY Change Jobs	YOY Change Pct.	5-Year Change Jobs	5-Year Change Pct.
Trade, Transportation, and Utilities	717K	21.0%	9	20.2K	2.9%	70.5K	10.9%
Professional and Business Services	561K	16.5%	13	6.1K	1.1%	60.3K	12.0%
Education and Health Services	464K	13.6%	14	24.7K	5.6%	62.2K	15.5%
Government	458K	13.4%	10	11.2K	2.5%	38.6K	9.2%
Leisure and Hospitality	345K	10.1%	10	0.9K	0.3%	19.8K	6.1%
Mining, Logging and Construction	289K	8.5%	4	-3.1K	-1.1%	-20.9K	-6.7%
Manufacturing	234K	6.9%	9	3.9K	1.7%	-1.3K	-0.6%
Financial Activities	188K	5.5%	14	4.8K	2.6%	23.4K	14.2%
Other Services	118K	3.5%	12	1.6K	1.4%	4.7K	4.1%
Information	33K	1.0%	21	-0.2K	-0.6%	1.2K	3.8%
<b>Total Non-Farm</b>	<b>3406K</b>	<b>100.0%</b>	<b>12</b>	<b>70.1K</b>	<b>2.1%</b>	<b>258.5K</b>	<b>8.2%</b>

EMPLOYMENT GROWTH TREND FOR TOTAL NON-FARM AND TWO LARGEST INDUSTRY SECTORS

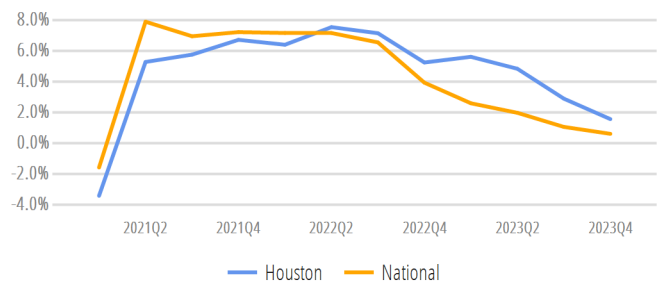
Total Non-farm Employment  
% Growth Year-over-Year



Trade, Transportation, and Utilities  
% Growth Year-over-Year

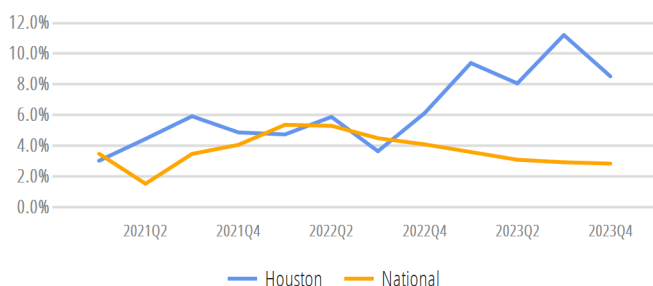


Professional and Business Services  
% Growth Year-over-Year

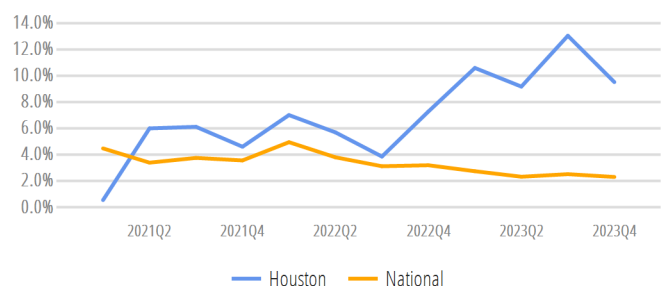


EARNINGS GROWTH TREND VS NATIONAL

Average Hourly Wages  
% Growth Year-over-Year



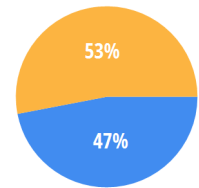
Average Weekly Salary  
% Growth Year-over-Year



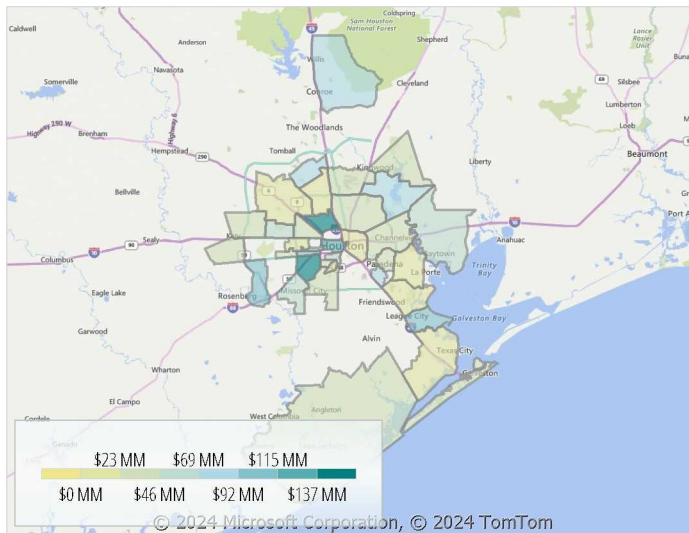
## Prior 12 Months

<b>National Ranking</b> Out of 121 Markets	<b>89</b> <b>Sale Price [-5]</b> \$110,105 Average Price/Unit	<b>3</b> <b>Sale Velocity</b> 66 Properties Sold	<b>8</b> <b>Sale Volume [-1]</b> \$1,912MM Total Sales
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	<b>Lifestyle</b>	<b>RBN</b>
# Properties	31	35
Total \$MM	\$1,207	\$705
Avg \$/Unit	\$147,833	\$76,634



## MOST ACTIVE SUBMARKETS BY TRANSACTION VOLUME



Submarket	#	Units	\$MM
Rossllyn	5	998	\$160.3
West Bellaire	4	2,236	\$145.5
West End/Downtown	3	716	\$117.0
Richmond	2	649	\$109.3
League City/Dickenson	3	657	\$100.9
Piney Point Village - south	3	1,233	\$100.8
Louetta	3	551	\$83.6
Atascocita	2	553	\$83.2
Conroe - east	2	544	\$82.9
Piney Point Village - north	2	560	\$76.4
+ 26 More Submarkets	37	8,665	\$851.7
<b>Total</b>	<b>66</b>	<b>17,362</b>	<b>\$1,911.7</b>

## HIGHEST PRICED PREV. 3 MONTHS

### Bayou on the Bend



\$43,333,333  
242 Units

Buyer: Galium Capital  
Sale Date: 01/29/2024

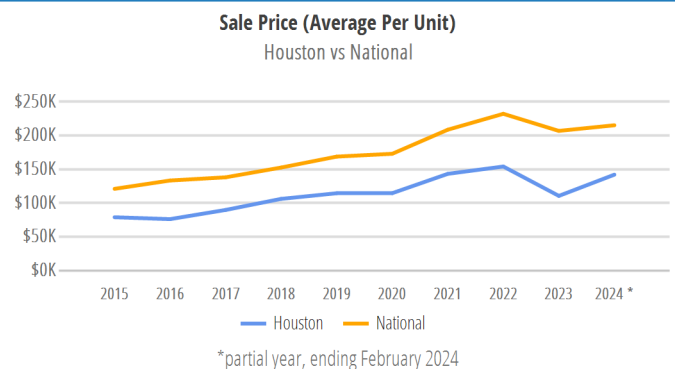
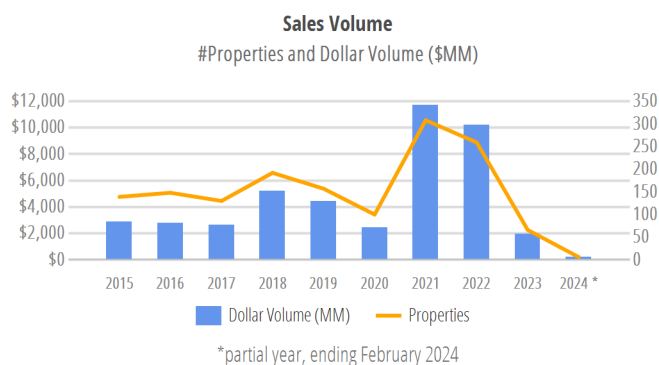
## MOST ACTIVE BUYERS BY # PROPERTIES PURCHASED

Company	#	Units	\$MM
Houston Housing Authority	3	666	\$109.1
Zimmerman Properties	3	268	\$18.6
Fundamental Partners	2	1,648	\$106.5
Venterra Realty	2	710	\$121.3
Momentum Multifamily	2	553	\$83.2
Galium Capital	2	550	\$91.1
Post Investment Group	2	532	\$88.2
Quarry Capital	2	504	\$76.8

## MOST ACTIVE SELLERS BY # PROPERTIES SOLD

Company	#	Units	\$MM
Applesway Investment Group	4	3,208	\$196.5
Western Wealth Capital	3	861	\$61.6
Brummer, Gary F.	2	742	\$49.1
Sachs Companies	2	532	\$88.2
Cortland	2	440	\$79.7
Knightvest Capital	2	426	\$65.7
Nitya Capital	2	376	\$44.0
Arel Capital	1	242	\$43.3

## SALE TRENDS





## COVERAGE

**Yardi® Matrix reports on multi-family properties of 50+ units in size.**

**This report for the Houston metro area covers Counties: Fort Bend, Harris and Montgomery**

**Rental rate coverage is for Market Rate properties only. Fully Affordable properties are not included in our rental surveys and are not reported in rental rate averages.**

## GENERAL DEFINITIONS

**Asset Class** – refers to a generalized category of properties grouped by their Yardi® Matrix improvements rating

**Lifestyle Asset Class** – a grouping of all of the highest rated market rate properties A+, A, A- and B+

**Renters-by-Necessity (RBN) Asset Class** – a grouping of all of the lowest rated properties B, B-, C+, C, C- and D

## COMMONLY USED CALCULATIONS

**Year-over-Year Change** – percentage growth from last year, for several months or quarters in a time-series. This analysis will highlight an overall direction of movement for a metro.

An upward slope means an accelerating growth. A downward slope means a slowing growth. Above the line (zero) for increases, below the line for loss.

**Rankings** – this metro is ranked nationally among other Yardi Matrix reported metros based on a single measure. For details on any specific ranking, see section descriptions below

## DATA SOURCES

**Rental Rates** – are collected by Yardi® Matrix phone surveyors three times annually for 95%+ of property and unit configurations. Additionally, a representative sample of the market (between 10% and 20%) are surveyed monthly.

**Occupancy Rates** – are derived from U.S. Postal Service data and Yardi® Matrix phone surveys

**Development Activity** – information is tracked by Yardi® Matrix researchers. Construction projects are discovered through various publications and local government sources. Projects are tracked on a monthly basis. Completion dates and lease-up information are confirmed by phone calls to properties under construction.

**Employment** – data is sourced from the U.S. Bureau of Labor Statistics. Reported employment is generally two months behind the current date for this report.

**Transaction Activity** – information is tracked by Yardi® Matrix researchers. Sales are discovered through various publications and local government sources, and updates are made continuously.

## MARKET OVERVIEW

**Rent Growth Ranking** – based on rent growth over the past year, current month.

**Employment Growth Ranking** – based on employment growth over the past year, latest employment month.

**Completions Ranking** – based on inventory growth over the past year, current month.

## EMPLOYMENT AND EARNINGS

**Calculations** – total employment size (jobs) is expressed as a sum of employment in areas overlapping the reported market: Houston-The Woodlands-Sugar Land, TX

**Industry Sectors** – are defined by the NAICS Supersector designations. For more information visit: <http://www.bls.gov/sae/saesuper.htm>

**Sector National Ranking** – is based on the absolute size of the industry sector within this metro, when compared to the same industry in other metro areas nationally.

**Earnings weekly vs hourly** – differentiates hourly wage workers, from weekly salaried workers.

## DEVELOPMENT ACTIVITY

**Prospective Properties** – announced construction projects, with no specific documents or government filings

**Planned Properties** – are in the planning stages of construction, with documents having been filed with the county or city

**Under Construction Properties** – have received permits for construction and broken ground.

**Rankings** – are based on the number of units currently under construction: Overall, Lifestyle and Renters-by-Necessity Asset Classifications

**Projected Completions** – Projected completions reported by Yardi® Matrix are limited to a year out and are based on properties currently under construction and their expected completion date.

**Projected Completions as a % of Prior Inventory** – This forward-looking metric uses projected unit completions to calculate a relative growth over the next year for a particular area. Submarkets with a total share of market inventory below 1% are assigned an N/A value, to avoid over-stating their significance in rankings and color-coded map displays.

**Construction and Completion Counts** – are reported based on property status as of the start of the month.

## TRANSACTION ACTIVITY

**Price** – is expressed as Price/Unit as a standard measure. This is also used for national ranking

**Velocity** – is measured by the number of properties sold per year. This is also used for national ranking

**Volume** – measures the total amount of money spent in multi-family sale transactions in the prior year, expressed as millions of U.S. Dollars (\$MM). This is also used for national ranking