NOVEMBER 2025

HOUSTON

MULTIFAMILY

RENTAL TRENDS
SUPPLY/DEMAND
EMPLOYMENT ANALYTICS

OVERVIEW

Houston rents declined 0.4% in November 2025, ranking 99th nationally and improving six positions from the previous period. With 785,844 completed units across 3,233 properties, the market faced continued supply pressure from elevated development activity. Employment grew 0.8% with 27,500 net new jobs, ranking 67th nationally and declining 15 positions, providing moderate support for rental demand despite the ongoing construction cycle.

Lifestyle properties declined 0.5% while Renters-by-Necessity assets held steady at negative 0.1%, indicating relatively uniform market conditions across price segments. The modest differential reflects broad-based supply pressure affecting both asset classes, though Lifestyle properties absorbed slightly more impact from new inventory deliveries concentrated in the upper tier. Performance varied considerably across submarkets, with Bay City leading at 6.8% growth followed by Cleveland at 5.7% and Prairie View at 5.1%.

These outer-ring locations benefited from limited new supply and proximity to expanding employment centers. Conversely, Spring declined 4.6% and Huntsville fell 3.2%, reflecting oversupply conditions in rapidly developing suburban corridors where substantial Lifestyle inventory delivered over the past year. The construction pipeline of 28,018 units ranks sixth nationally, up two positions, representing 3.8% of Lifestyle inventory and 0.8% of RBN inventory.

This concentration in upper-tier development reflects developers' continued focus on premium product despite market softness. The 12-month forward completion forecast projects 18,149 units, representing 2.3% inventory growth. While this supply addition creates near-term pressure, employment growth should gradually absorb the inventory over the next 18 months.

RENTAL PERFORMANCE AND SUBMARKET DYNAMICS

Bay City emerged as the strongest performer with 6.8% rent growth, well ahead of Cleveland at 5.7% and Prairie View at 5.1%. These submarkets share common characteristics of minimal recent development activity and proximity to employment growth corridors. Bay City encompasses six properties with 579 units posting average rents of $943, demonstrating the market's appetite for affordable options in supply-constrained locations.

Dayton and League City-west rounded out the top performers at 4.9% and 2.8% respectively, reflecting steady demand in established suburban areas. In contrast, Spring experienced the steepest decline at negative 4.6%, followed by Huntsville at negative 3.2% and Tomball at negative 3.0%. These northern suburban submarkets absorbed substantial Lifestyle inventory over the past year while competing for the same demographic base.

Spring's decline reflects particularly acute oversupply, with multiple large-scale developments delivering simultaneously in a concentrated geographic area. Addicks and Katy also posted declines of 2.9% and 2.6% respectively, indicating broader challenges in western suburban corridors where development activity has been most intense. The Lifestyle segment's strongest performers included Prairie View at 4.8%, League City-west at 2.8%, and GreaterThird Ward at 2.6%.

These areas attracted renters seeking value relative to core submarkets while maintaining employment proximity. However, Huntsville declined 3.7% in the Lifestyle category, along with Humble/Westfield and Tomball at negative 3.7% each, reflecting competition from newer properties. The RBN segment showed more resilience, with Bay City surging 8.6%, Cleveland at 5.7%, and Dayton at 4.9%, demonstrating acute workforce housing demand in supply-constrained outer-ring locations.

DEVELOPMENT AND SUPPLY

Houston's construction pipeline of 28,018 units ranks sixth nationally, up two positions, representing 3.8% of Lifestyle inventory and just 0.8% of RBN inventory. This dramatic concentration reflects developers' focus on upper-tier product, capturing migration from expensive coastal markets and targeting high-wage employment growth. The 12-month forward completion forecast projects 18,149 units, representing 2.3% inventory growth overall.

The Lifestyle segment faces 3.8% inventory growth with 14,966 units scheduled for delivery, while RBN completions represent just 0.8% growth with 3,129 units. Submarket-level development reveals concentrated supply pressure in specific corridors. Brookshire faces the most significant influx with projected completions representing 44.1% of existing inventory, followed by Magnolia at 26.8% and Northwest Harris County at 17.6%.

These elevated completion ratios directly explain the rent deterioration in northern and western suburban areas discussed previously. League City-west will see additions of 16.0%, while Clear Creek faces 15.4% growth, suggesting continued pressure in these rapidly expanding corridors. The geographic concentration indicates developers' belief in long-term suburban growth trends despite near-term absorption challenges.

The development landscape features diverse players betting on Houston's growth trajectory. Won Bridge leads with 1,139 units across three properties, followed by Houston Housing Authority with 1,137 units across four properties. Streamline Advisory Partners controls 727 units under construction, while Sueba USA and Hanover Company each manage 699 and 677 units respectively.

The largest single project is Pradera Oaks, an 812-unit Won Bridge development at 19302 Pradera Meadows Loop in Rosharon, followed by Friendswood City Center with 500 units. The suburban focus of these projects indicates continued institutional confidence in outer-ring growth despite urban core revitalization efforts.

ECONOMY SNAPSHOT

Employment grew 0.8% with 27,500 new jobs, ranking 67th nationally and declining 15 positions from the previous period. Education and Health Services led growth with 13,200 positions representing 2.9% expansion, supporting workforce housing demand near hospital and educational centers. Leisure and Hospitality added

7,200 jobs at 2.0% growth, while Trade, Transportation, and Utilities contributed 6,800 positions with 1.0% expansion.

These service sectors provide broad-based demand across price points, though the moderate growth pace limits absorption capacity for the substantial supply pipeline. Employment losses came from Professional and Business Services, which shed 13,100 positions, declining 2.3%. This high-wage sector contraction potentially impacts Lifestyle property demand, explaining some of the weakness in upper-tier submarkets.

Information sector employment fell by 700 jobs at negative 2.3%, while Manufacturing declined 2,700 positions at negative 1.1%. These losses, concentrated in higher-wage tiers, create challenges for premium rental demand while having limited impact on workforce housing segments. The employment composition increasingly centers on service sectors, with Education and Health Services representing 13.7% of total employment, followed by Trade, Transportation, and Utilities at 20.3% and Professional and Business Services at 16.1%.

This diversified base provides stability across economic cycles, though the recent Professional Services weakness constrains upper-tier rental demand. Wage growth has moderated compared to national trends, creating affordability pressures as rents stabilize rather than decline significantly. The employment foundation supports continued absorption of new supply, particularly in the RBN segment where job growth aligns with housing demand patterns.
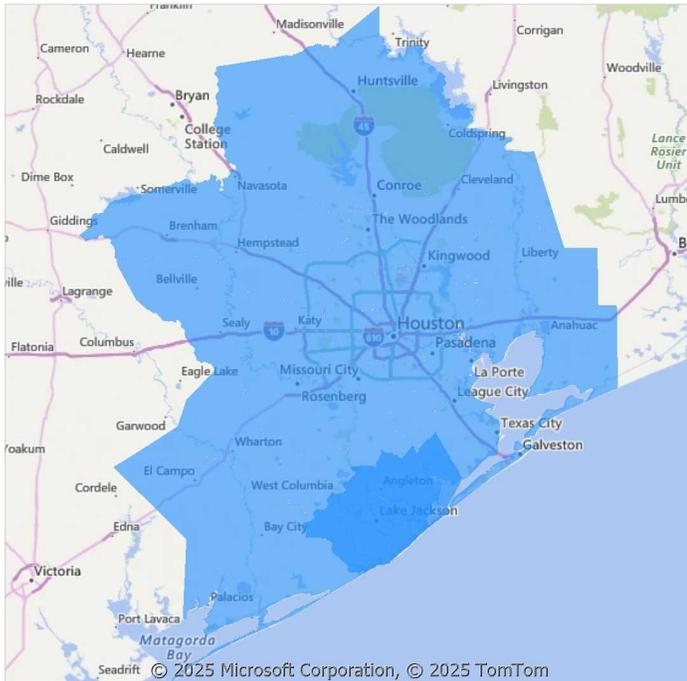
INVESTMENT ACTIVITY

Transaction volume reached $3.2 billion across 90 properties in the trailing 12 months, ranking 87th nationally for volume. The average price per unit of $136,865 ranks 87th nationally, down seven positions, reflecting investor caution amid supply pressure and moderating fundamentals. Sale velocity of 7.5 properties per month indicates active market conditions despite near-term challenges.

The Lifestyle segment dominated activity with 50 properties trading for $2.4 billion at an average of $159,757 per unit, while RBN assets saw 40 sales totaling $859 million at $97,905 per unit. This pricing differential of approximately 63% reflects different risk-return profiles and the premium investors place on newer, amenity-rich properties. West End/Downtown led submarket activity with nine transactions totaling $556.9 million, followed by Spring Valley with nine sales for $293.7 million and Pierce Junction with one transaction worth $188.8 million.

The urban core concentration reflects investor focus on established locations with limited development sites. CWS Capital Partners emerged as the most active buyer with three acquisitions totaling $230.3 million, followed by GEM Realty Capital with three purchases for $164.0 million. Camden Property Trust led sellers with six dispositions worth $378.7 million, followed by Nitya Capital with three sales totaling $97.4 million.
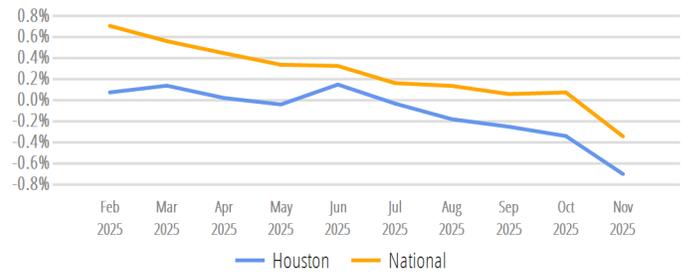
The highest-priced transaction was Marquis Enclave, a 647-unit property acquired by CWS Capital Partners for $107.5 million, equating to $166,000 per unit, in November 2025. Transaction pricing reflects disconnect from current fundamental performance, with stable pricing despite rent declines and elevated supply pressure. Current pricing suggests investor conviction about long-term employment growth and demographic trends supporting Houston's multifamily market.

The continued institutional activity indicates confidence that current supply-demand imbalances represent temporary conditions rather than structural challenges. As supply delivery peaks in 2026 and employment growth continues, transaction activity should increase as fundamentals stabilize and pricing adjusts to reflect improved operating conditions.
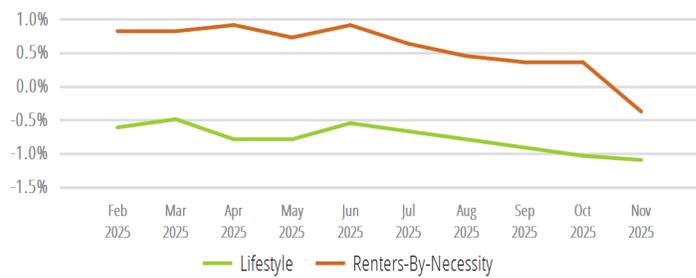
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National Ranking
Out of 140 Markets

99 Rent Growth [+6]

67 Employment Growth

84 Completions

RENTAL TRENDS

Houston vs National Rent Growth
Year-over-Year

— Houston — National

Houston Rent Growth by Asset Class
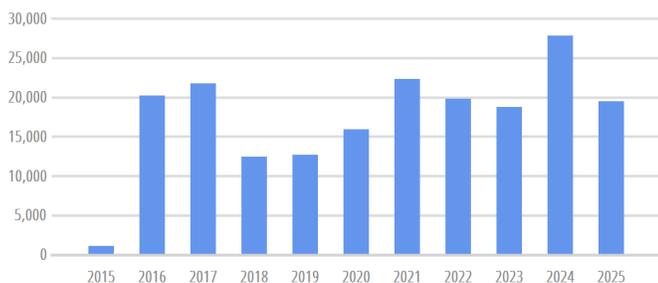Year-over-Year

— Lifestyle — Renters-By-Necessity

SUPPLY

Inventory by Property Status
of Properties

3,233 Completed
785,684 Units

113 Under Construction
28,018 Units

74 Planned
16,462 Units

235 Prospective
45,554 Units

Completions
% of Existing Supply

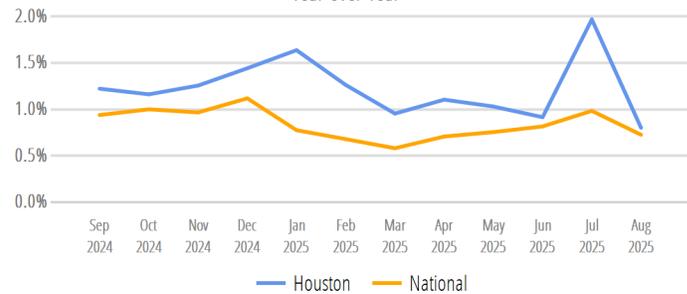■ Houston — National

12-month period - November - October

Completions
Total Units

DEMAND

Employment Percentage Change
Year-over-Year

— Houston — National

Employment Sector	Current Share	YOY Change	
Education and Health Services	13.7%	13,200	2.9%
Leisure and Hospitality	10.8%	7,200	2.0%
Trade, Transportation, and Utilities	20.3%	6,800	1.0%
Mining, Logging and Construction	9.2%	6,000	1.9%
Other Services	4.0%	4,500	3.4%
Government	12.8%	4,300	1.0%
Financial Activities	5.3%	2,000	1.1%
Information	0.8%	-700	-2.3%
Manufacturing	6.9%	-2,700	-1.1%
Professional and Business Services	16.1%	-13,100	-2.3%

SUBMARKETS YEAR-OVER-YEAR RENT GROWTH

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Legend: -15% -11% -8% -4% 0% 4% 8% 11% 15%
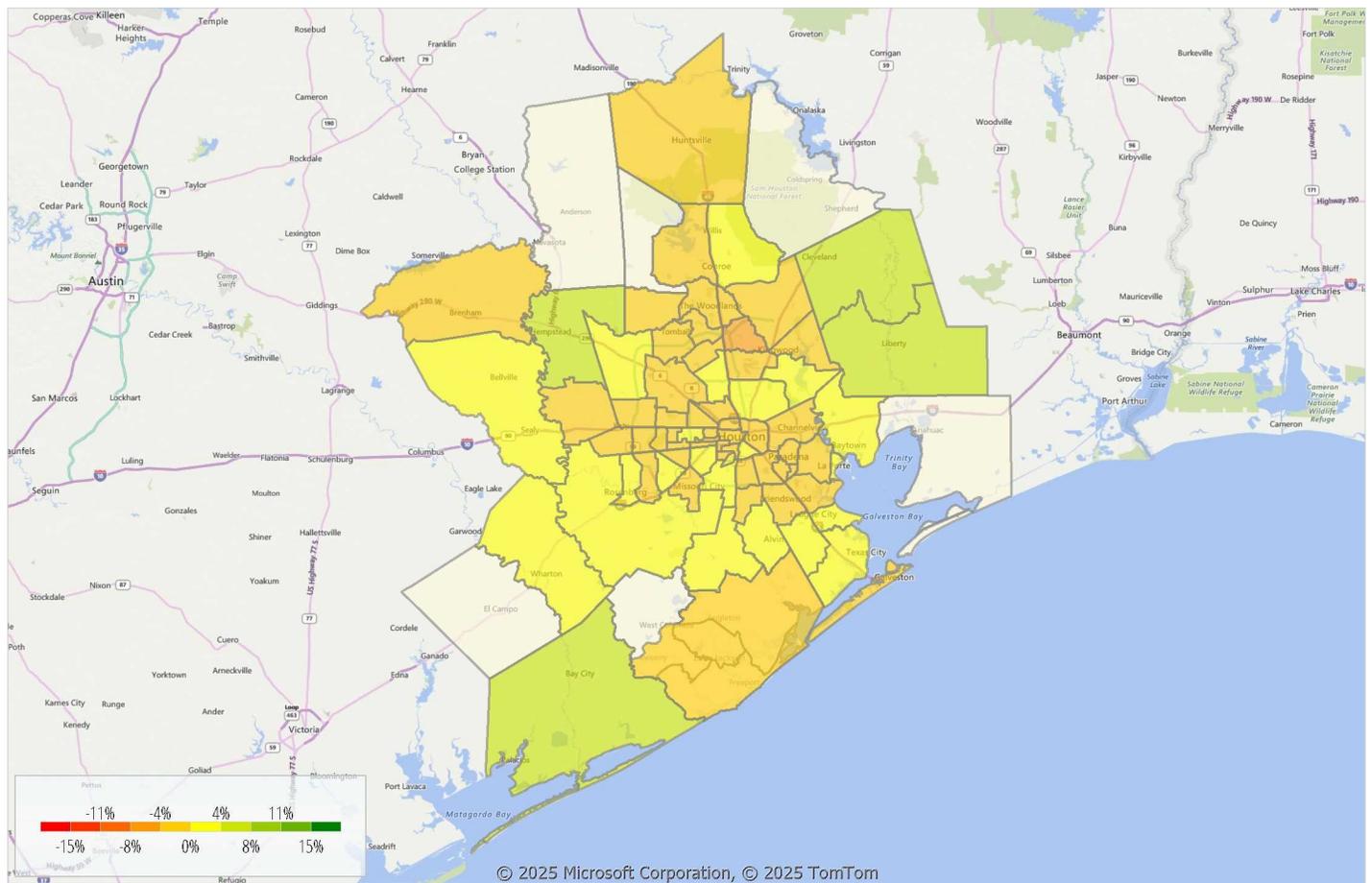
HIGHEST OVERALL PERFORMING SUBMARKETS

Submarket	Rent	Occupancy	YOY Change	
Bay City	$943	87.4%	6.8%	
Cleveland	$1,043	96.1%	5.7%	
Prairie View	$1,473	91.8%	5.1%	
Dayton	$1,068	96.6%	4.9%	
League City - west	$1,633	94.8%	2.8%	

LOWEST OVERALL PERFORMING SUBMARKETS

Submarket	Rent	Occupancy	YOY Change	
Katy	$1,641	92.1%	-2.6%	
Addicks	$1,411	91.6%	-2.9%	
Tomball	$1,506	92.2%	-3.0%	
Huntsville	$1,319	93.4%	-3.2%	
Spring	$1,432	94.4%	-4.6%	

HIGHEST PERFORMING SUBMARKET - BAY CITY

Properties	6
Units	579
Average Rent/Unit	$943
Effective YOY Chg	6.8%

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Submarket vs Overall Market
Year-over-Year

Legend: Submarket — Houston
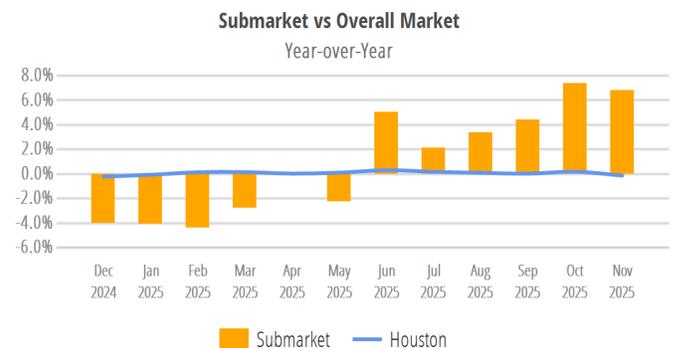
LIFESTYLE APARTMENTS - YEAR-OVER-YEAR RENT GROWTH
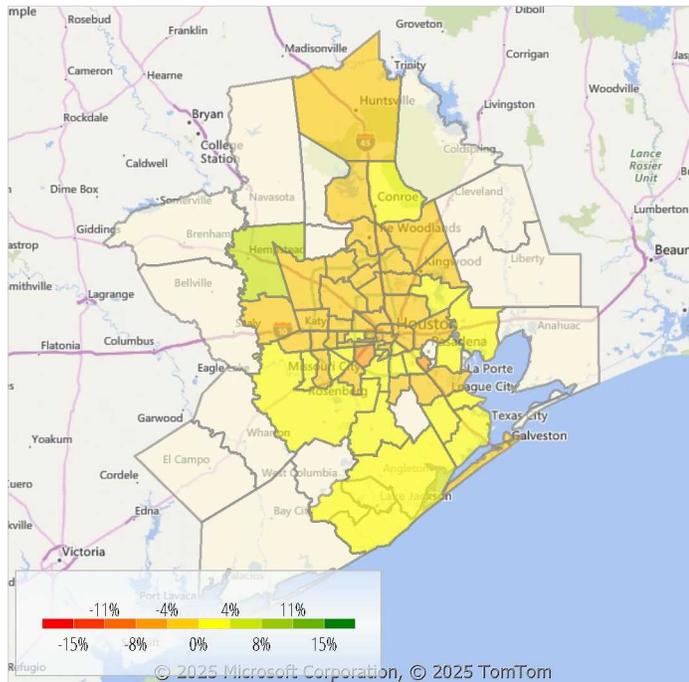
RENTERS-BY-NECESSITY APARTMENTS - YEAR-OVER-YEAR RENT GROWTH
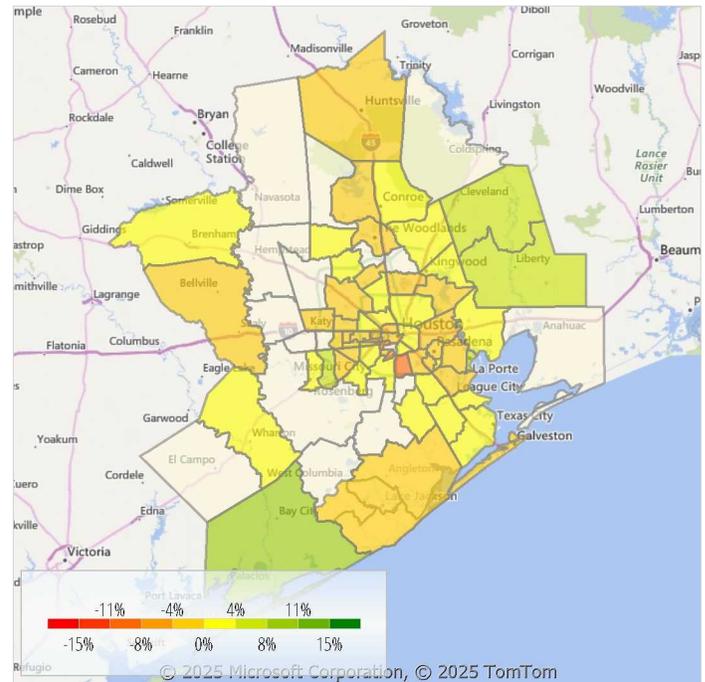
HIGHEST PERFORMING SUBMARKETS - LIFESTYLE

Submarket	Rent	Occupancy	YOY Change	
Prairie View	$1,459	91.8%	4.8%	
League City - west	$1,818	94.4%	2.8%	
GreaterThird Ward	$1,755	95.4%	2.6%	
Texas City/San Leon	$1,414	95.4%	2.6%	
Reliant Park	$1,400	92.3%	2.2%	

HIGHEST PERFORMING SUBMARKETS - RBN

Submarket	Rent	Occupancy	YOY Change	
Bay City	$955	90.9%	8.6%	
Cleveland	$1,043	96.1%	5.7%	
Dayton	$1,068	96.6%	4.9%	
La Porte	$1,145	97.1%	3.9%	
Richmond	$1,263	87.6%	3.8%	

PRAIRIE VIEW

	Lifestyle	RBN	Overall
Properties	4	1	5
Units	1,070	120	1,190
Avg Rent/Unit	$1,459	$1,574	$1,473
Effective YOY Chg	4.8%	6.4%	5.1%

BAY CITY

	RBN	Lifestyle	Overall
Properties	4	N/A	6
Units	427	N/A	579
Avg Rent/Unit	$955	N/A	$943
Effective YOY Chg	8.6%	N/A	6.8%

LOWEST PERFORMING SUBMARKETS - LIFESTYLE

Submarket	Rent	Occupancy	YOY Change	
Huntsville	$1,708	95.8%	-3.7%	
Humble/Westfield	$1,221	87.7%	-3.7%	
Tomball	$1,557	91.9%	-3.7%	
West Bellaire	$1,205	94%	-5.0%	
South Houston	$1,175	86.9%	-5.5%	

LOWEST PERFORMING SUBMARKETS - RBN

Submarket	Rent	Occupancy	YOY Change	
George Bush Park	$1,241	90.6%	-3.6%	
Addicks	$1,227	89.7%	-3.6%	
River Oaks	$1,295	91.7%	-4.1%	
Reliant Park	$1,046	87.1%	-5.7%	
Pierce Junction	$927	86.9%	-7.7%	

OVERALL DEVELOPMENT ACTIVITY

Composition
# of Units

- 28,018
- 45,554
- 16,462

- Planned
- Prospective
- Under Construction

National Ranking
Out of 140 Markets

6
Overall [+2]

28,018 Units

5
Lifestyle [+2]

23,399 Units

12
Renters-by-Necessity [+1]
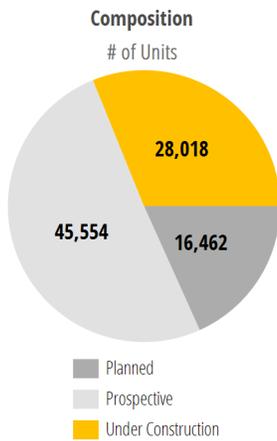
4,390 Units
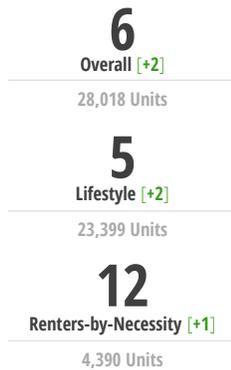
Unit Completions by Quarter
Historic and Projected

- Completed
- Under Construction

PROJECTED COMPLETIONS AS % OF PRIOR INVENTORY - 12 MONTHS ENDING OCTOBER 2026

Submarket	Growth	# Units
Brookshire	44.1%	266
Magnolia	26.8%	326
Northwest Harris County	17.6%	665
League City - west	16.0%	327
Clear Creek	15.4%	471
Richmond	9.6%	1,021
Pierce Junction	9.2%	645
East End	9.1%	1,080
Conroe - west	9.1%	847
Atascocita	9.1%	706
The Heights	8.8%	1,108
+ 31 More Submarkets		10,687

Market Overall	**2.3%**
	18,149 Units
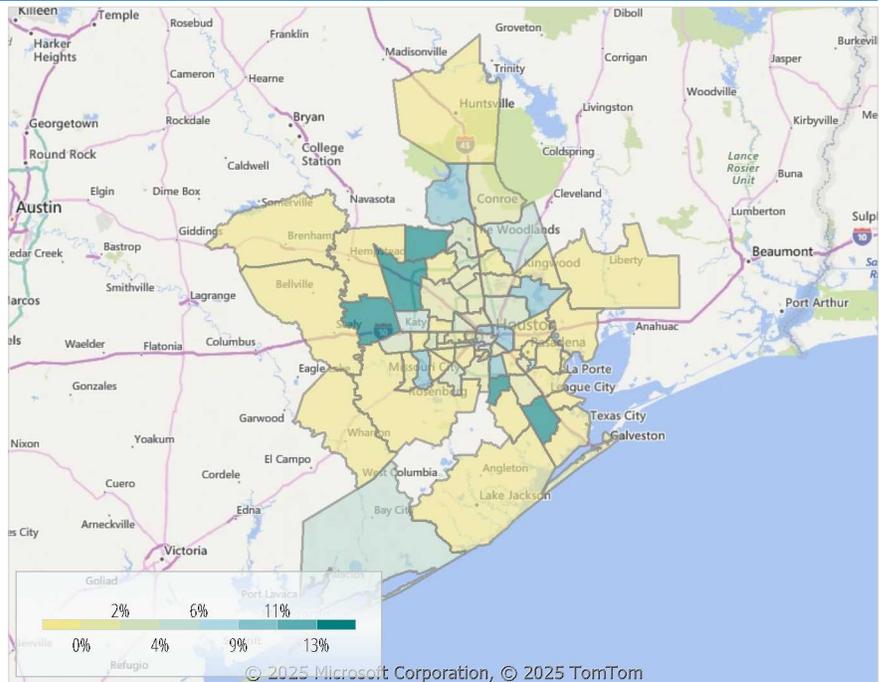
LARGEST COMMUNITIES UNDER CONSTRUCTION

Project	Address	# Units	Developer
Pradera Oaks	19302 Pradera Meadows Loop Rosharon, TX 77583	812	Wan Bridge
Friendswood City Center	Blackhawk Blvd & FM 528 Friendswood, TX 77546	500	Tannos Construction & Development
X Houston	5501 La Branch Street Houston, TX 77004	475	X Company, The
Vintage Preserve	14701 Vintage Preserve Pkwy Houston, TX 77070	461	Davis Development
Landmark at NinetyNine	3999 John Sharp Drive Richmond, TX 77407	408	Landmark Properties

TOP DEVELOPERS BY UNITS UNDER CONSTRUCTION

Developer	# Units	# Props
Wan Bridge	1,139	3
Houston Housing Authority	1,137	4
Streamline Advisory Partners	727	2
Sueba USA	699	2
Hanover Company, The	677	2
Dhanani Private Equity Group	676	2
Martin Fein Interests	666	2
OHT Partners	653	2
Fidelis Realty Partners	634	2
Alliance Residential Company	633	2

LIFESTYLE DEVELOPMENT ACTIVITY

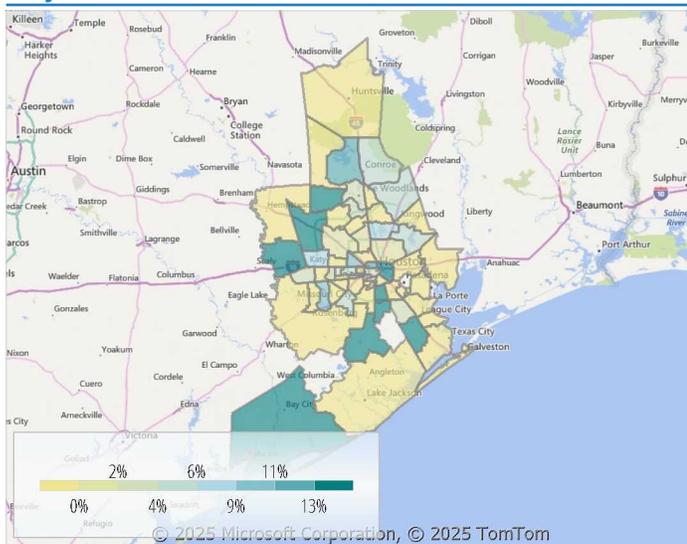**Unit Completions**
Lifestyle Category

Legend: ■ Total Units ■ Lifestyle Units
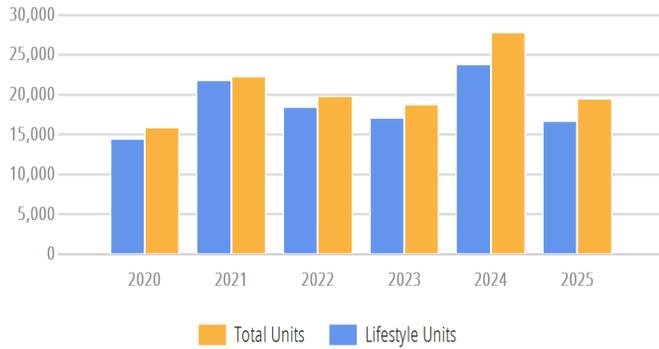
RENTERS-BY-NECESSITY DEVELOPMENT ACTIVITY

Unit Completions
Renters-by-Necessity Category

Legend: ■ Total Units ■ RBN Units
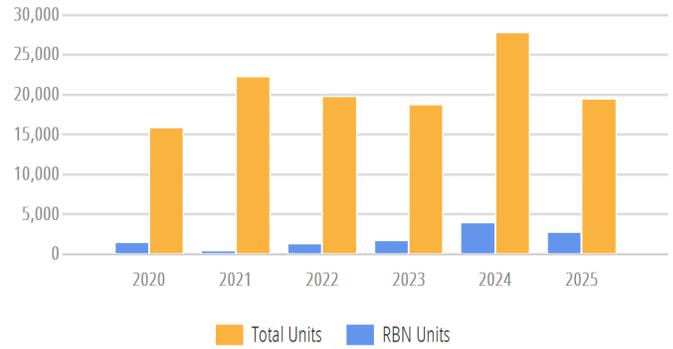
PROJECTED LIFESTYLE COMPLETIONS AS % OF INVENTORY

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PROJECTED RBN COMPLETIONS AS % OF INVENTORY

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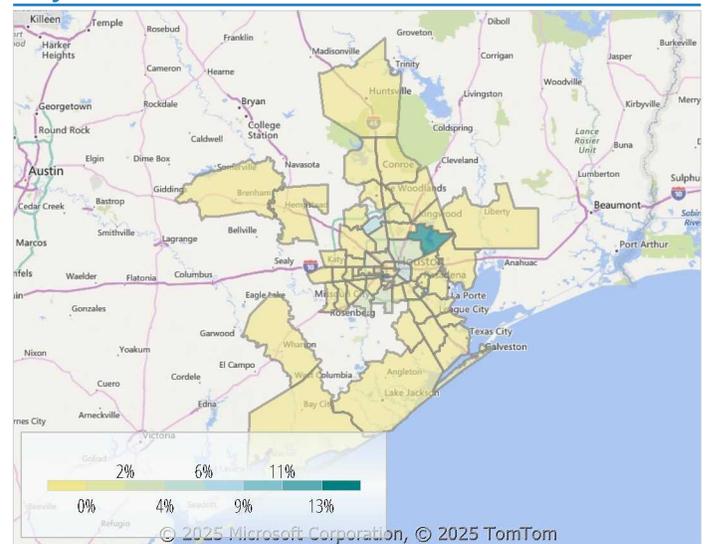
Submarket	Growth	# Units
Northwest Brazoria County	253.0%	812
Brookshire	64.1%	266
Magnolia	44.1%	326
Pierce Junction	36.7%	645
League City - west	30.9%	327
Northwest Harris County	20.2%	665
Clear Creek	18.3%	471
East End	15.2%	562
Bay City	15.2%	84
The Heights	12.1%	1,108
Conroe - west	11.4%	847
+ 23 More Submarkets		8,853

Market Overall	**3.8%**
	14,966 Units

Submarket	Growth	# Units
Atascocita	30.8%	366
River Oaks	20.0%	348
South Houston - Crenshaw Park	9.8%	200
Louetta	7.3%	275
East End	6.3%	518
Mount Houston	2.9%	456
Missouri City	2.8%	155
Sugar Land - south	2.2%	60
South Houston	2.1%	176
Galveston	1.6%	84
GreaterThird Ward	1.3%	76
+ 3 More Submarkets		415

Market Overall	**0.8%**
	3,129 Units

EMPLOYMENT COMPOSITION BY INDUSTRY SECTOR

Employment Composition by Industry
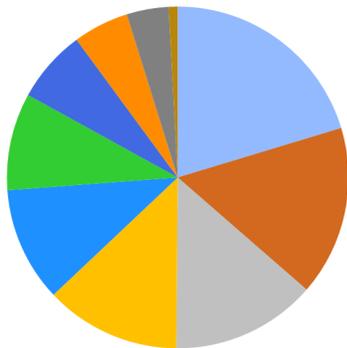
Employment Sector	Employment		National Rank	YOY Change		5-Year Change	
	Jobs	% Share		Jobs	Pct.	Jobs	Pct.
Trade, Transportation, and Utilities	702K	20.3%	8	6.8K	1.0%	93.1K	15.3%
Professional and Business Services	555K	16.1%	11	-13.1K	-2.3%	71.8K	14.9%
Education and Health Services	475K	13.7%	12	13.2K	2.9%	81.6K	20.8%
Government	443K	12.8%	9	4.3K	1.0%	41.9K	10.4%
Leisure and Hospitality	375K	10.8%	9	7.2K	2.0%	107.2K	40.1%
Mining, Logging and Construction	318K	9.2%	2	6.0K	1.9%	48.1K	17.8%
Manufacturing	238K	6.9%	6	-2.7K	-1.1%	26.1K	12.3%
Financial Activities	182K	5.3%	12	2.0K	1.1%	18.1K	11.1%
Other Services	138K	4.0%	10	4.5K	3.4%	37.1K	37.0%
Information	29K	0.8%	26	-0.7K	-2.3%	1.8K	6.6%
Total Non-Farm	**3454K**	**100.0%**	**10**	**27.5K**	**0.8%**	**526.8K**	**18.0%**

EMPLOYMENT GROWTH TREND FOR TOTAL NON-FARM AND TWO LARGEST INDUSTRY SECTORS
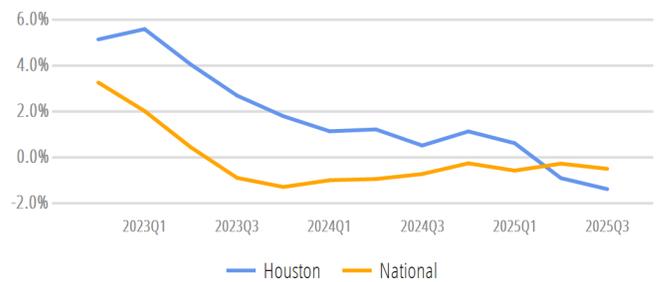
Total Non-farm Employment
% Growth Year-over-Year
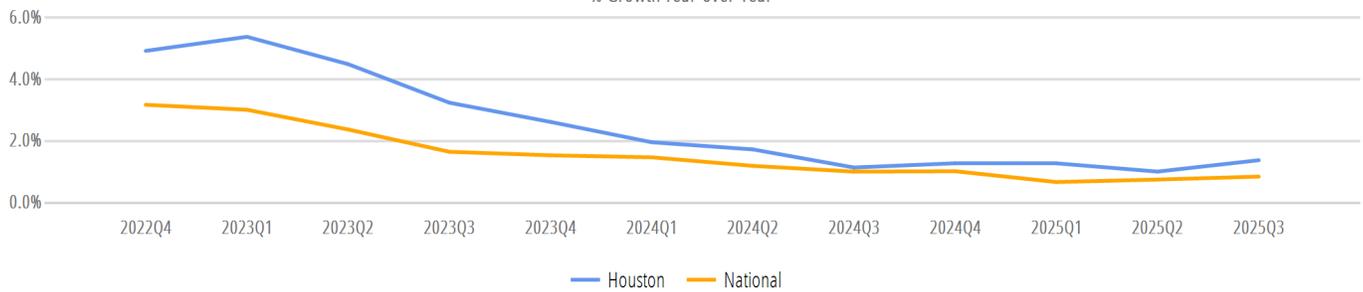
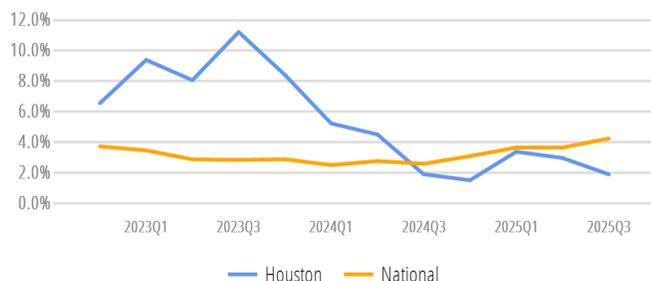**Trade, Transportation, and Utilities**
% Growth Year-over-Year
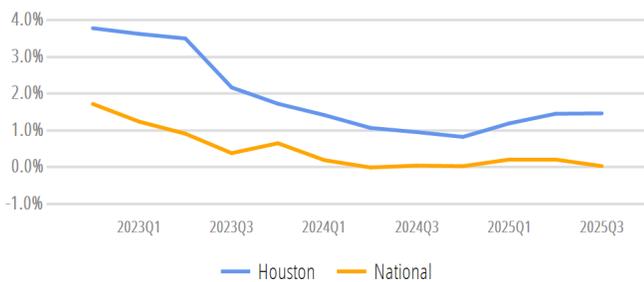
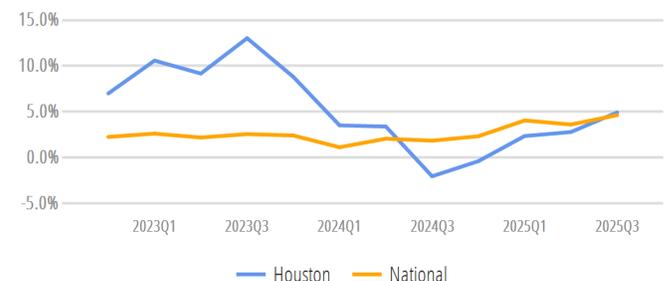**Professional and Business Services**
% Growth Year-over-Year

EARNINGS GROWTH TREND VS NATIONAL

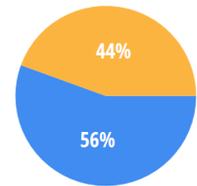**Average Hourly Wages**
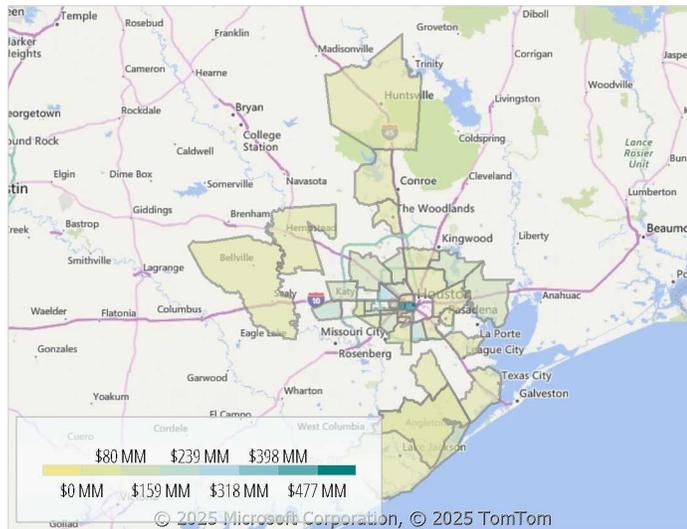% Growth Year-over-Year

Average Weekly Salary
% Growth Year-over-Year

Prior 12 Months

87
National Ranking
Out of 140 Markets

Sale Price [-7]
$136,865
Average Price/Unit

2
Sale Velocity [+2]
90
Properties Sold

9
Sale Volume [-1]
$3,246MM
Total Sales

	Lifestyle	**RBN**
# Properties	50	40
Total $MM	$2,387	$859
Avg $/Unit	$159,757	$97,905

44%
56%

MOST ACTIVE SUBMARKETS BY TRANSACTION VOLUME

$80 MM $239 MM $398 MM
$0 MM $159 MM $318 MM $477 MM
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Submarket	#	Units	$MM
West End/Downtown	9	2,880	$556.9
Spring Valley	9	2,806	$293.7
Pierce Junction	1	240	$188.8
Katy	3	1,031	$186.6
Piney Point Village - north	4	1,185	$186.3
Addicks	5	1,197	$155.0
Bammel	4	1,326	$142.6
Royal Oaks Country Club	3	869	$128.3
Cinco Ranch - north	2	636	$125.0
Atascocita	3	830	$113.4
+ 28 More Submarkets	47	10,717	$1,169.4
Total	**90**	**23,717**	**$3,246.0**

HIGHEST PRICED PREV. 3 MONTHS

Marquis Enclave

$107,466,666
647 Units

Buyer: CWS Capital Partners
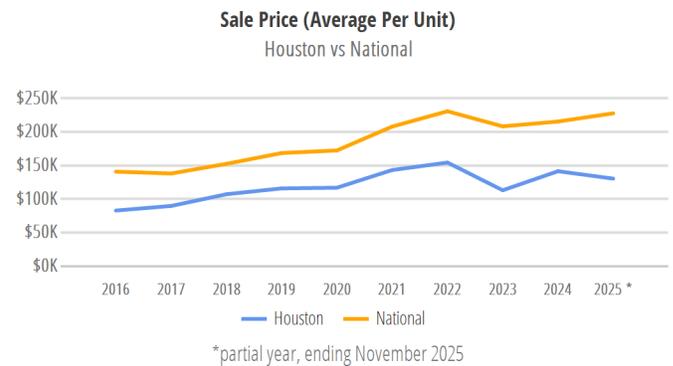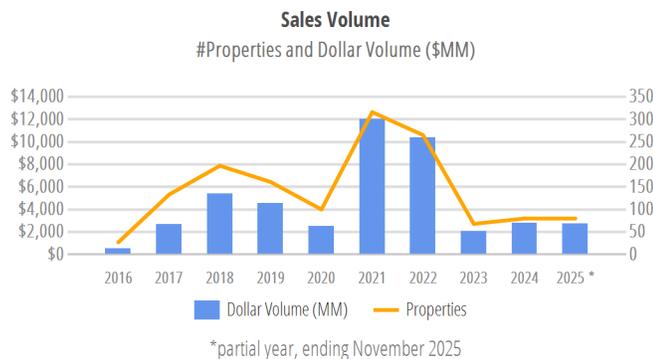Sale Date: 11/14/2025

MOST ACTIVE BUYERS BY # PROPERTIES PURCHASED

Company	#	Units	$MM
CWS Capital Partners	3	1,351	$230.3
GEM Realty Capital	3	818	$164.0
Bow River Capital	2	1,232	$107.3
Shen, Jingtuo	2	876	$50.4
Triten Real Estate Partners	2	715	$56.0
RPM	2	603	$118.1
Lone Star Capital Group	2	592	$91.5
Hasta Capital	2	560	$153.6

MOST ACTIVE SELLERS BY # PROPERTIES SOLD

Company	#	Units	$MM
Camden Property Trust	6	2,697	$378.7
Nitya Capital	3	1,235	$97.4
AON	2	876	$50.4
Madera Companies	2	784	$129.3
Boston Capital	2	652	$79.3
Cortland	2	612	$122.8
Nuveen Real Estate	2	563	$94.6
Morgan Group	2	530	$70.4

SALE TRENDS

Sales Volume
#Properties and Dollar Volume ($MM)

Dollar Volume (MM)   Properties

*partial year, ending November 2025

Sale Price (Average Per Unit)
Houston vs National

Houston   National

*partial year, ending November 2025

COVERAGE

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

This report for the Houston metro area covers Counties: Austin, Fort Bend, Grimes, Harris, Matagorda, Montgomery, Waller, Washington and Wharton

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: El Campo, TX | Bay City, TX | Houston-Pasadena-The Woodlands, TX | Brenham, 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