TRANSWESTERN

HOUSTON

MULTIFAMILY MARKET | Q1 2025

775,879
Units

2,938 Units
Net Absorption

895 SF
Average Size/Unit

88.7%
Occupancy

11,046 Units
Under Construction

$1,273
Effective Rent/Unit

Steady Quarter for Deliveries Brings Down U/C Pipeline

Market Observations

- Metro Houston's total under construction pipeline totaled 11,046 units across 45 communities to start 2025. This is a 22.7% decrease from the Q4 2024 construction number which sat at 14,297 units. Still several notable projects broker ground this quarter including Westgrove, a 371-unit, mid-rise community in the Brookhollow/ Northwest Crossing, The Oaks, a 357-unit, mid-rise community in the Lake Houston/ Kingwood submarket, and the Boardwalk Square, a 353-unit, mid-rise community in the Katy/ Cinco Ranch/ Waterside submarket. The three projects share the same move-in dates scheduled to begin Q3 2025.

- Construction completions came in at 5,676 units new operating units during the first quarter of 2025. This decreased slightly compared to Q4 2024 and Q1 2024 when Houston's pipeline delivered 5,676 units and 6,422 units, respectively. Significant property openings include 341-unit, mid-rise Parkline in the Alief submarket, the Class A, 340-unit, mid-rise 1010 Waugh in the Montrose/ Museum, Midtown submarket, and the 330-unit, community-style Asher at Towne Lake in the Bear Creek/ Copperfield/ Fairfield submarket.

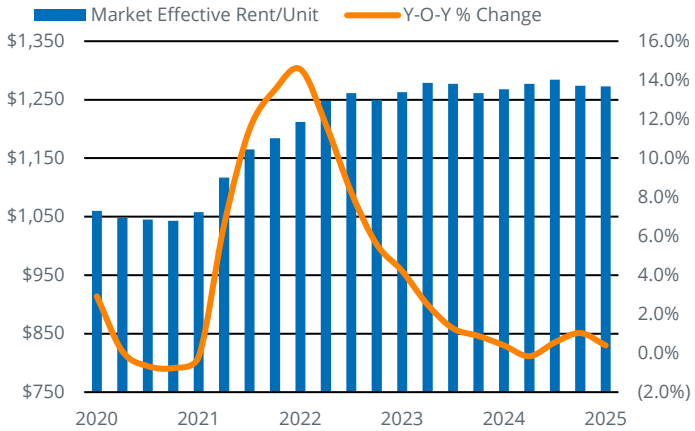
HOUSTON MULTIFAMILY MARKET | Q1 2025

- Houston's multifamily sector was home more than two consecutive years of metro wide demand gains as renters moved into nearly 3K units, with Class A and Class D being the only two building classes to experience positive gains during the first 90-day period of 2025. The expansion came from property classes on the opposite side of the field and caused occupancy to tick up 10 basis points to 88.7 percent quarter-over-quarter.

- The market effective rent for Houston clocked in at $1,273/unit, a reduction on 10 basis point quarter-over-quarter, but an increase of 40 basis points year-over-year. Average effective rents crossed the $1,200/unit price during this quarter three years ago. Since then, the three-year, quarterly average effective rests at $1,263/unit with some variation up and down during the past year.

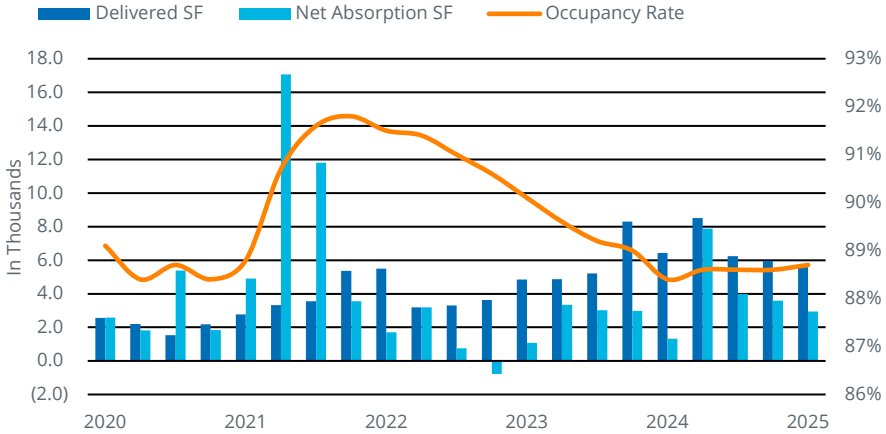
- The hottest submarket for new construction is Montrose/ Museum/ Midtown with 1,040 units currently under development. The urban area stands alone as the only one with over 1,000 units in the pipeline. Following closely behind is The Woodlands/ Conroe South submarket with its 901 units currently underway and UofH/ I-45 South which is currently home to 862 units under construction.

ASKING RENT



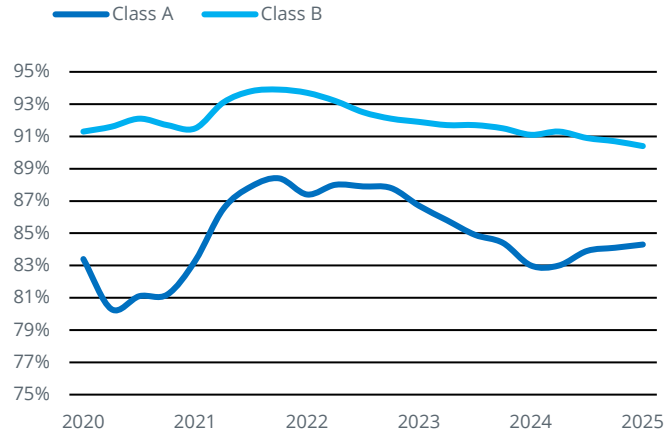
Source: Transwestern, MRI – Apartment Data

DELIVERY IMPACT ON KEY INDICATORS



Source: Transwestern, MRI – Apartment Data

OVERALL OCCUPANCY BY CLASS, CLASS A & CLASS B



Source: Transwestern, MRI – Apartment Data

MARKET INDICATORS TABLE

All Classes of Space | Q1 2025

SUBMARKET (# CORRESPONDS TO MAP, PG 5)	# OF APT. COMMUNITIES	# OF APT. UNITS	OCCUPANCY	NET ABSOPRTION UNITS	AVERAGE EFFECTIVE RENT	RENT % CHANGE YOY	UNITS UNDER CONSTRUCTION
1. Montrose/ Museum/ Midtown	74	19,301	89.4%	(1)	$1,943	1.0%	1,040
2. Highland Village/ Upper Kirby/ West U	69	19,394	92.5%	121	$1,954	0.6%	317
3. Med Center/ Braes Bayou	88	26,147	92.2%	(99)	$1,435	(0.7%)	825
4. Heights/ Washington Ave	85	21,426	83.3%	105	$1,749	(0.6%)	327
5. Downtown	35	8,983	82.4%	100	$2,022	(5.5%)	-
6. Galleria/ Uptown	106	24,997	89.1%	(155)	$1,426	(1.0%)	185
7. Woodlake/ Westheimer	38	12,361	91.4%	89	$1,158	(1.0%)	-
8. Energy Corridor/ CityCentre/ Briar Forest	113	34,825	88.4%	7	$1,352	0.4%	311
9. Westchase	50	15,051	85.8%	(169)	$1,117	(1.8%)	-
10. Alief	114	27,699	90.5%	48	$1,075	0.1%	341
11. Sharpstown/ Westwood	106	25,539	92.7%	26	$909	0.0%	-
12. Westpark/ Bissonnet	58	16,958	93.3%	93	$929	1.6%	-
13. Braeswood/ Fondren SW	83	22,161	88.4%	0	$957	0.9%	-
14. Almeda/ South Main	27	5,351	91.4%	13	$1,028	(0.1%)	155
15. Sugar Land/ Stafford/ Sienna	75	18,102	88.5%	216	$1,471	1.3%	-
16. Richmond/ Rosenberg	38	6,895	90.4%	46	$1,266	(0.9%)	-
17. Brookhollow/ Northwest Crossing	101	22,521	89.5%	88	$1,090	(0.9%)	781
18. Memorial/ Spring Branch	126	26,132	89.2%	223	$1,238	1.0%	125
19. Inwood/ Hwy 249	32	6,302	89.6%	43	$1,036	1.5%	-
20. Willowbrook/ Champions/ Ella	169	42,932	88.1%	20	$1,115	(1.0%)	-
21. Jersey Village/ Cypress	72	17,297	90.8%	103	$1,240	(1.2%)	-
22. Bear Creek/ Copperfield/ Fairfield	86	23,613	86.1%	249	$1,375	(2.3%)	807

MARKET INDICATORS TABLE

All Classes of Space | Q1 2025 – Cont.

SUBMARKET (# CORRESPONDS TO MAP, PG 5)	# OF APT. COMMUNITIES	# OF APT. UNITS	OCCUPANCY	NET ABSOPRTION UNITS	AVERAGE EFFECTIVE RENT	RENT % CHANGE YOY	UNITS UNDER CONSTRUCTION
23. Katy/ Cinco Ranch/ Waterside	167	47,379	86.8%	772	$1,489	(0.1%)	665
24. Tomball/ Spring	93	23,224	86.2%	356	$1,403	(0.3%)	587
25. Woodlands/ Conroe South	88	24,154	90.2%	105	$1,461	(0.9%)	901
26. Conroe North/ Montgomery	72	14,411	83.6%	335	$1,206	(2.9%)	588
27. I-10 East/ Woodforest/ Channelview	65	13,704	86.4%	159	$1,094	2.1%	-
28. I-69 North	34	5,459	86.2%	59	$1,078	4.0%	-
29. Northline	54	7,386	88.9%	(96)	$1,032	6.1%	-
30. Greenspoint/ Northborough/ Aldine	70	17,583	87.5%	(35)	$947	5.1%	146
31. FM 1960 East/ IAH Airport	48	9,514	90.5%	(77)	$1,100	(1.3%)	176
32. Lake Houston/ Kingwood	79	19,063	91.4%	65	$1,365	0.8%	814
33. Northeast Houston/ Crosby	25	3,742	83.8%	(30)	$1,066	2.4%	-
34. Hwy 288 South/ Pearland West	60	15,381	86.5%	63	$1,428	(0.1%)	445
35. U of H/ I-45 South	125	19,733	91.1%	(35)	$927	3.1%	862
36. Beltway 8 / I-45 South	52	14,290	82.2%	93	$1,065	(0.1%)	105
37. Pasadena/ Deer Park/ La Porte	130	25,154	88.5%	(57)	$1,082	3.0%	200
38. Friendswood/ Pearland East	33	6,405	93.1%	(11)	$1,274	2.0%	111
39. Clear Lake/ Webster/ League City	107	27,292	90.6%	84	$1,287	1.2%	-
40. Baytown	60	11,450	89.4%	31	$1,080	1.0%	-
41. Dickinson/ Galveston	86	13,724	88.3%	27	$1,188	2.1%	-
42. Alvin/ Angleton/ Lake Jackson	79	12,844	83.9%	(36)	$1,056	(0.6%)	232
Greater Houston Totals	**3,272**	**775,879**	**88.7%**	**2,938**	**$1,273**	**0.4%**	**11,046**

Source: Transwestern, MRI – Apartment Data

Research Methodology

The information in this report is the result of a compilation of information on office properties located in the Houston metropolitan area. This report includes all classifications of space for multifamily properties and analyzes all leasing and representative investment sales activity.

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and @Transwestern

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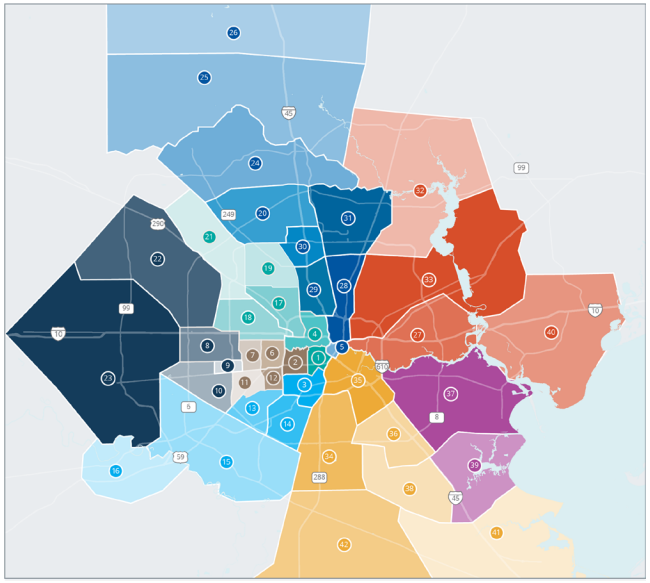

1 Montrose/Museum/Midtown
2 Highland Vlg/Upper Kirby/West U
3 Med Center/Braes Bayou
4 Heights/Washington Ave
5 Downtown
6 Galleria/Uptown
7 Woodlake/Westheimer
8 Energy Corridor/CityCentre/Briar Forest
9 Westchase
10 Alief
11 Sharpstown/Westwood
12 Westpark/Bissonnet
13 Braeswood/Fondren SW
14 Almeda/South Main
15 Sugar Land/Stafford/Sienna
16 Richmond/Rosenberg
17 Brookhollow/Northwest Crossing
18 Memorial/Spring Branch
19 Inwood/Hwy 249
20 Willowbrook/Champions/Ella
21 Jersey Village/Cypress
22 Bear Creek/Copperfield/Fairfield
23 Katy/Cinco Ranch/Waterside
24 Tomball/Spring
25 Woodlands/Conroe South
26 Conroe North/Montgomery
27 I-10 East/ Woodforest/Channelview
28 I-69 North
29 Northline
30 Greenspoint/Northborough/Aldine
31 FM 1960 East/IAH Airport
32 Lake Houston/Kingwood
33 Northeast Houston/Crosby
34 Hwy 288 South/Pearland West
35 U of H/I-45 South
36 Beltway 8/I-45 South
37 Pasadena/Deer Park/La Porte
38 Friendswood/Pearland East
39 Clear Lake/ Webster/League City
40 Baytown
41 Dickinson/Galveston
42 Alvin/ Angleton/Lake Jackson

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