

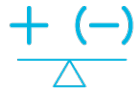
HOUSTON

MULTIFAMILY MARKET | Q2 2025



781,386

Units



5,521 Units

Net Absorption



896 SF

Average Size/Unit



89.0%

Occupancy



8,683 Units

Under Construction



\$1,277

Effective Rent/Unit

Construction Starts, Deliveries Taper Off Significantly

Market Observations

- Metro Houston's under construction pipeline totaled 8,683 units across 36 communities. This is a 21.4% decrease from Q1 2025 at 11,046 units. The only additions to the metro's pipeline came out of the affordable housing sector with Willow Creek Manor, a 264-unit, low-rise community in the Willowbrook/ Champions/ Ella, and the Park Boulevard Lofts, a 66-unit in the Beltway 8/ I-45 South submarket.
- Completions came in at 1,830 new operating units during the second quarter of 2025. This significant decrease compared to Q1 2025 and this time last year when Houston's pipeline delivered 5,676 units and 8,514 units, respectively.
- Significant property openings include 327-unit, mid-rise Co Op At Farmers Market in the Heights/ Washington Ave submarket; the Class B, 209-unit, high-rise Rone Residences in the Highland Village/ Upper Kirby/ West U submarket; and the 203-unit, Boardwalk Village in the Conroe North/ Montgomery submarket. Another addition to the construction is Park Boulevard Lofts, a 66-unit development in the Beltway 8/ I-45 South submarket which is set to be managed by Texas Interfaith Management.

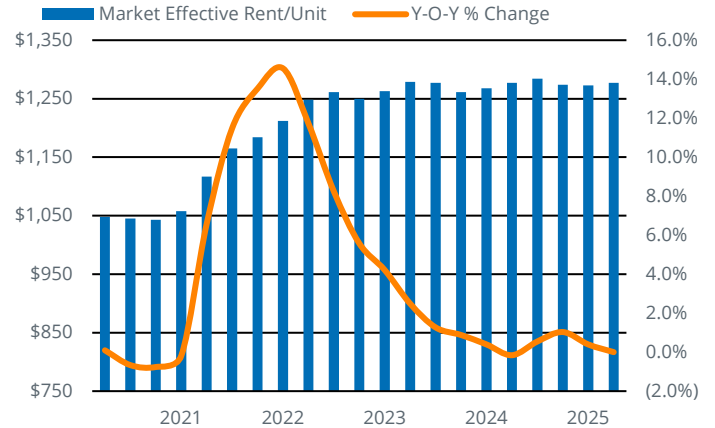




HOUSTON MULTIFAMILY MARKET | Q2 2025

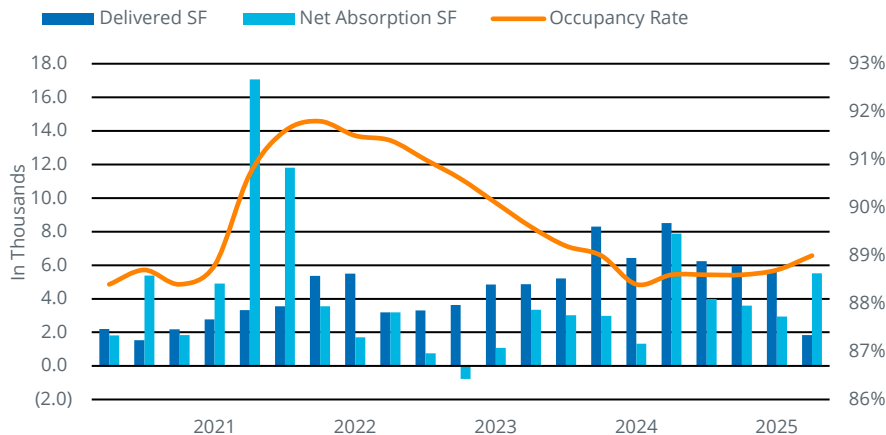
- Houston's multifamily sector was home to 10 consecutive quarters of metro wide demand gains as renters moved into just over 5.5K units, with all classes of buildings experiencing positive gains during the second quarter of 2025. The new demand in descending order: Class A (4,384 units), Class B (675 units), Class C (422 units), and Class D (40 units).
- The market effective rent for Houston clocked in at \$1,277/unit, an increase of 30 basis point quarter-over-quarter, while the year-over-year change remained flat. Average effective rents crossed the \$1,200/unit price roughly three and half years ago; since then, the quarterly average effective rests at \$1,264/unit with some variation up and down during the past year.
- The hottest submarket for new construction is Woodlands/ Conroe South with 901 units currently under development. The Woodlands community has been a strong epicenter for new construction, ranging from single-family to large-scale commercial projects. Following closely behind is UofH/ I-45 South submarket with its 862 units currently underway and Med Center/ Braes Bayou which is currently home to 825 units under construction.

ASKING RENT



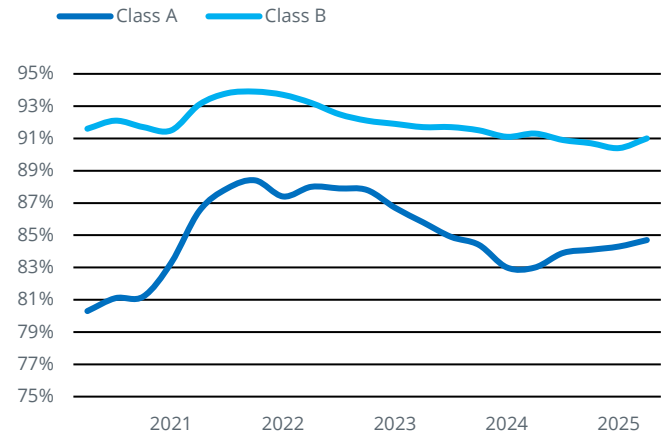
Source: Transwestern, MRI - Apartment Data

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 | Q2 2025

SUBMARKET (# CORRESPONDS TO MAP, PG 5)	# OF APT. COMMUNITIES	# OF APT. UNITS	OCCUPANCY	NET ABSORPTION UNITS	AVERAGE EFFECTIVE RENT	RENT % CHANGE YOY	UNITS UNDER CONSTRUCTION
1. Montrose/ Museum/ Midtown	78	20,360	85.6%	130	\$2,075	4.6%	134
2. Highland Village/ Upper Kirby/ West U	70	19,603	91.8%	20	\$1,976	0.8%	317
3. Med Center/ Braes Bayou	88	26,147	91.3%	(104)	\$1,438	(2.1%)	825
4. Heights/ Washington Ave	86	21,753	84.8%	482	\$1,744	(2.1%)	-
5. Downtown	35	8,983	83.3%	86	\$1,983	(6.0%)	-
6. Galleria/ Uptown	107	25,396	87.0%	219	\$1,416	(1.7%)	185
7. Woodlake/ Westheimer	38	12,361	91.5%	29	\$1,154	(2.4%)	-
8. Energy Corridor/ CityCentre/ Briar Forest	114	34,956	89.7%	300	\$1,341	(1.3%)	311
9. Westchase	53	15,512	87.6%	270	\$1,080	(5.8%)	-
10. Alief	114	27,699	89.8%	(189)	\$1,064	(0.3%)	341
11. Sharpstown/ Westwood	106	25,539	92.5%	(69)	\$907	0.3%	-
12. Westpark/ Bissonnet	58	16,958	92.2%	(193)	\$895	(1.2%)	-
13. Braeswood/ Fondren SW	83	22,161	89.9%	149	\$953	(0.1%)	-
14. Almeda/ South Main	27	5,351	91.8%	19	\$1,028	(0.5%)	155
15. Sugar Land/ Stafford/ Sienna	78	18,672	88.2%	265	\$1,466	(1.3%)	-
16. Richmond/ Rosenberg	38	6,895	92.5%	134	\$1,290	0.9%	-
17. Brookhollow/ Northwest Crossing	101	22,521	89.9%	86	\$1,077	(1.2%)	781
18. Memorial/ Spring Branch	126	26,132	90.4%	297	\$1,230	(0.4%)	125
19. Inwood/ Hwy 249	32	6,302	88.9%	(19)	\$1,037	1.9%	-
20. Willowbrook/ Champions/ Ella	169	42,932	89.4%	443	\$1,118	(1.8%)	264
21. Jersey Village/ Cypress	73	17,341	91.0%	90	\$1,257	1.3%	-
22. Bear Creek/ Copperfield/ Fairfield	88	24,129	86.3%	443	\$1,382	(0.5%)	-



HOUSTON MULTIFAMILY MARKET | Q2 2025

MARKET INDICATORS TABLE

All Classes of Space | Q2 2025 – Cont.

SUBMARKET (# CORRESPONDS TO MAP, PG 5)	# OF APT. COMMUNITIES	# OF APT. UNITS	OCCUPANCY	NET ABSORPTION UNITS	AVERAGE EFFECTIVE RENT	RENT % CHANGE YOY	UNITS UNDER CONSTRUCTION
23. Katy/ Cinco Ranch/ Waterside	170	48,036	86.8%	456	\$1,465	(1.8%)	353
24. Tomball/ Spring	94	23,283	87.7%	359	\$1,398	(2.0%)	587
25. Woodlands/ Conroe South	89	24,454	89.9%	166	\$1,465	(2.5%)	901
26. Conroe North/ Montgomery	73	14,441	85.4%	265	\$1,213	(2.1%)	479
27. I-10 East/ Woodforest/ Channelview	66	13,804	87.3%	166	\$1,108	3.4%	-
28. I-69 North	34	5,459	86.7%	26	\$1,075	2.4%	-
29. Northline	54	7,386	89.5%	40	\$1,024	1.7%	-
30. Greenspoint/ Northborough/ Aldine	70	17,569	87.3%	12	\$935	3.8%	146
31. FM 1960 East/ IAH Airport	48	9,514	91.9%	111	\$1,114	(0.3%)	176
32. Lake Houston/ Kingwood	80	19,139	91.6%	54	\$1,369	0.3%	814
33. Northeast Houston/ Crosby	25	3,742	85.7%	78	\$1,065	1.5%	-
34. Hwy 288 South/ Pearland West	60	15,381	89.0%	229	\$1,435	(1.5%)	445
35. U of H/ I-45 South	126	19,933	92.0%	136	\$955	5.8%	862
36. Beltway 8 / I-45 South	53	14,318	83.8%	227	\$1,093	3.6%	171
37. Pasadena/ Deer Park/ La Porte	130	25,154	88.5%	(97)	\$1,090	2.1%	200
38. Friendswood/ Pearland East	34	6,463	93.8%	72	\$1,285	1.6%	111
39. Clear Lake/ Webster/ League City	107	27,292	91.1%	65	\$1,273	(0.4%)	-
40. Baytown	60	11,450	90.2%	67	\$1,106	4.5%	-
41. Dickinson/ Galveston	86	13,724	89.2%	152	\$1,212	3.0%	-
42. Alvin/ Angleton/ Lake Jackson	80	13,141	82.7%	49	\$1,068	(0.7%)	-
Greater Houston Totals	3,301	781,386	89.0%	5,521	\$1,277	-	8,683

Source: Transwestern, MRI – Apartment Data



HOUSTON MULTIFAMILY MARKET | Q2 2025

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](https://twitter.com/Transwestern)

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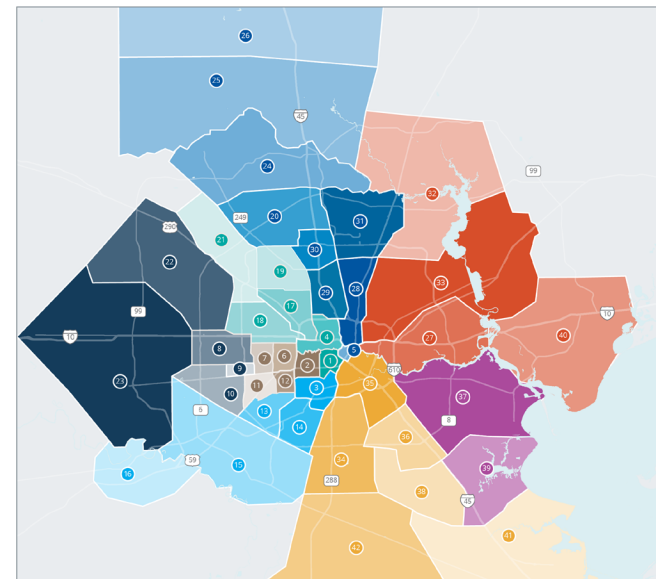
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|--|--------------------------------------|--------------------------------------|-------------------------------------|
| 1. Montrose/Museum/Midtown | 12. Westpark/Bissonnet | 23. Katy/Cinco Ranch/Waterstone | 34. Hwy 288 South/Pearland West |
| 2.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