

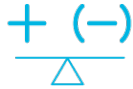
HOUSTON

MULTIFAMILY MARKET | Q4 2025



789,228

Units



3,749 Units

Net Absorption



896 SF

Average Size/Unit



90.4%

Occupancy



9,329 Units

Under Construction



\$1,258

Effective Rent/Unit

Over 22.5K Units Absorbed During 2025, up 34% YoY

Market Observations

- Houston's multifamily sector was home to 12 consecutive quarters of metro-wide net positive demand. The new leasing was mainly seen in Class A at 2,279 units, followed by Class C with 1,023, and last, Class D registering 267 units of leasing growth. Additionally, annual multifamily demand clocked in at 22,501 units, an increase of 34.1% - or more than 5,700 units -over last year's annual total of 16.8K units. Leasing in the final quarter was most active in Westchase (419 units), Tomball/Spring (242) and The Heights/Washington Ave (232).
- The market effective rent for Houston tallied \$1,258/unit, a slight decrease of 1.4% quarter-over-quarter, while the year-over-year change experienced a similar 1.3% decrease. As expected, Houston's urban core lays claim to the highest rents with the Downtown submarket commanding a 60% premium over the market wide average, though this type of margin is more nuanced over such a wide region where, by the close of the quarter, only 11 out of the 42 submarkets experienced year-over-year rental rate growth.
- The hotbeds for new construction include Hwy 288 South/ Pearland West with 1,085 units currently under development spread across three communities; Med Center/ Braes Bayou which currently hosts two communities with a total unit count of 825 under construction; and Willowbrook/ Champions/ Ella with 725 units being constructed between three communities.

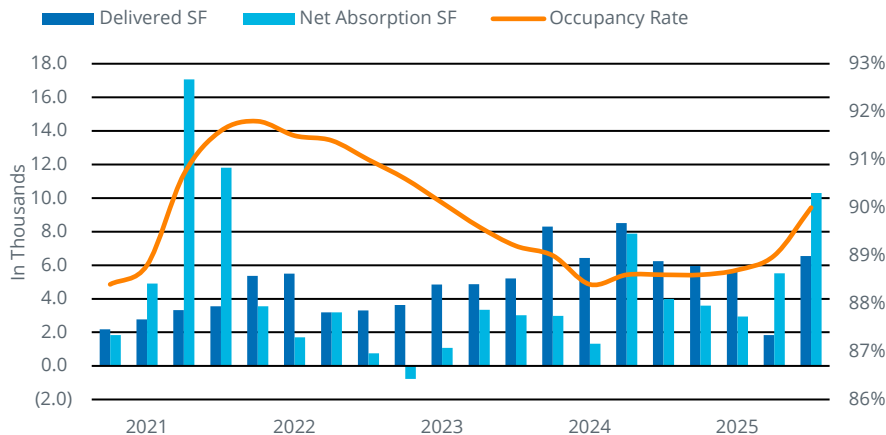




HOUSTON MULTIFAMILY MARKET | Q4 2025

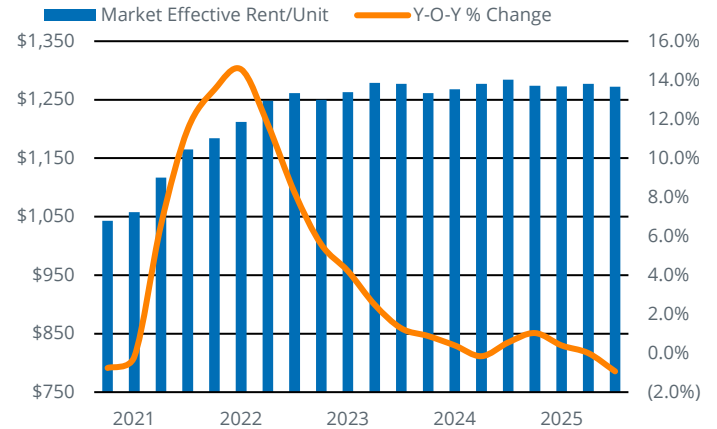
- The construction pipeline gained an end-of-year bump with the total coming in at just over 9,300 units, an increase of more than 2,100 units quarter-over-quarter in the final 90 days of the year. Two notable new development construction starts include Friendswood City Center, a 500-unit community in the Friendswood/ Pearland East submarket, and Vintage North, a 461-unit apartment in the Willowbrook/ Champions/ Ella submarket located on the far north and south sides of the metro region, respectively.
- Houston completed 2,825 new operating units during the Q4 2025, lower than the four-quarter rolling average of 4,218 operating units. This is due to the pipeline beginning to taper which should lead to occupancy gains early in 2026, especially in high-growth suburban areas such as near The Woodlands (ie: Willowbrook/ Champions/ Ella and Tomball/ Spring) and Pearland (Beltway 8/ I-45 South and Pasadena/ Deer Park/ La Porte).
- Notable project deliveries this quarter include the 360-unit, Class B mid-rise, Hanover Lakemont in the Katy/ Cinco Ranch/ Waterside submarket; the 360-unit, Class A, low-rise Calahan in the Jersey Village/ Cypress submarket; and the 284-unit, mid-rise, Class B CoOp At EaDo in the UofH/ I-45 South submarket.

DELIVERY IMPACT ON KEY INDICATORS



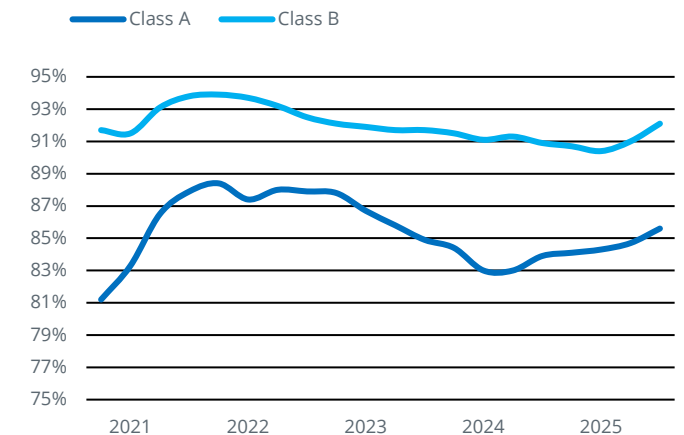
Source: Transwestern, MRI - Apartment Data

ASKING RENT



Source: Transwestern, MRI - Apartment Data

OVERALL OCCUPANCY BY CLASS, CLASS A & CLASS B



Source: Transwestern, MRI - Apartment Data



HOUSTON MULTIFAMILY MARKET | Q4 2025

MARKET INDICATORS TABLE

All Classes of Space | Q4 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	81	20,436	85.9%	(2)	\$1,953	0.6%	134
2. Highland Village/ Upper Kirby/ West U	69	19,579	91.9%	(103)	\$1,888	(1.9%)	317
3. Med Center/ Braes Bayou	86	26,101	90.9%	(125)	\$1,416	(1.7%)	825
4. Heights/ Washington Ave	87	22,067	88.9%	232	\$1,700	(3.7%)	-
5. Downtown	35	8,983	85.2%	(1)	\$2,014	(2.6%)	69
6. Galleria/ Uptown	107	25,396	90.3%	101	\$1,406	(2.2%)	185
7. Woodlake/ Westheimer	38	12,361	92.5%	9	\$1,133	(3.3%)	-
8. Energy Corridor/ CityCentre/ Briar Forest	117	35,520	90.2%	(52)	\$1,308	(3.5%)	451
9. Westchase	53	15,512	92.1%	419	\$1,073	(4.5%)	-
10. Alief	115	28,040	91.1%	95	\$1,064	(0.3%)	-
11. Sharpstown/ Westwood	106	25,539	93.3%	69	\$904	(1.1%)	-
12. Westpark/ Bissonnet	58	16,958	93.4%	7	\$908	(1.8%)	-
13. Braeswood/ Fondren SW	83	22,161	92.7%	105	\$940	(1.1%)	-
14. Almeda/ South Main	27	5,351	90.9%	(45)	\$1,042	(0.2%)	155
15. Sugar Land/ Stafford/ Sienna	79	18,822	90.9%	159	\$1,426	(2.7%)	280
16. Richmond/ Rosenberg	37	6,861	92.2%	(5)	\$1,289	1.4%	375
17. Brookhollow/ Northwest Crossing	103	23,276	89.1%	204	\$1,103	0.6%	-
18. Memorial/ Spring Branch	125	26,229	91.1%	(13)	\$1,204	(2.4%)	120
19. Inwood/ Hwy 249	32	6,302	90.2%	62	\$1,027	(0.1%)	-
20. Willowbrook/ Champions/ Ella	171	43,207	90.3%	89	\$1,095	(2.1%)	725
21. Jersey Village/ Cypress	73	17,585	91.5%	35	\$1,235	(0.8%)	100
22. Bear Creek/ Copperfield/ Fairfield	90	24,486	87.9%	92	\$1,342	(3.0%)	75



HOUSTON MULTIFAMILY MARKET | Q4 2025

MARKET INDICATORS TABLE

All Classes of Space | Q4 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	173	48,984	87.7%	358	\$1,431	(3.5%)	604
24. Tomball/ Spring	94	23,714	88.9%	242	\$1,376	(1.9%)	343
25. Woodlands/ Conroe South	90	24,722	89.3%	(51)	\$1,454	0.1%	619
26. Conroe North/ Montgomery	73	14,520	88.3%	166	\$1,203	(1.5%)	431
27. I-10 East/ Woodforest/ Channelview	65	13,792	91.2%	102	\$1,095	(0.9%)	-
28. I-69 North	33	5,427	88.9%	20	\$1,101	(1.2%)	-
29. Northline	54	7,386	91.8%	26	\$991	(2.1%)	99
30. Greenspoint/ Northborough/ Aldine	71	17,761	90.1%	164	\$941	(1.2%)	-
31. FM 1960 East/ IAH Airport	48	9,514	94.7%	55	\$1,110	0.6%	476
32. Lake Houston/ Kingwood	82	19,932	89.6%	222	\$1,346	(1.8%)	288
33. Northeast Houston/ Crosby	25	3,742	90.6%	136	\$1,064	0.1%	300
34. Hwy 288 South/ Pearland West	61	15,490	91.0%	177	\$1,424	(1.2%)	1,085
35. U of H/ I-45 South	130	21,070	92.3%	232	\$1,012	10.0%	596
36. Beltway 8 / I-45 South	54	14,423	92.4%	105	\$1,057	(0.7%)	66
37. Pasadena/ Deer Park/ La Porte	131	25,354	89.6%	191	\$1,083	1.1%	-
38. Friendswood/ Pearland East	34	6,463	93.6%	(52)	\$1,287	0.3%	611
39. Clear Lake/ Webster/ League City	107	27,292	93.0%	(132)	\$1,252	(2.0%)	-
40. Baytown	61	11,797	90.6%	164	\$1,105	2.1%	-
41. Dickinson/ Galveston	86	13,724	92.8%	66	\$1,178	(0.7%)	-
42. Alvin/ Angleton/ Lake Jackson	80	13,349	87.3%	226	\$1,064	0.1%	-
Greater Houston Totals	3,324	789,228	90.4%	3,749	\$1,258	(1.3%)	9,329

Source: Transwestern, MRI – Apartment Data



HOUSTON MULTIFAMILY MARKET | Q4 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

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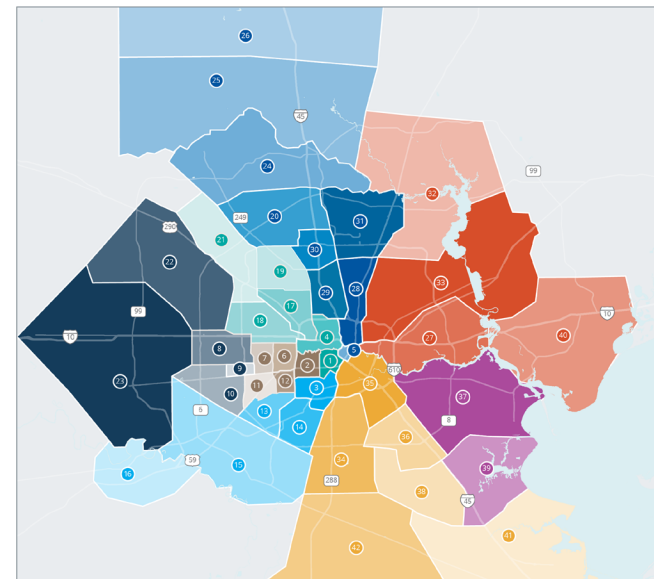
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|--|--------------------------------------|--------------------------------------|-------------------------------------|
| 1. Montrose/Museum/Midtown | 12. Westpark/Bissonnet | 23. Katy/Cinco Ranch/Waterstone | 34. Hwy 288 South/Pearland West |
| 2. 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 | |