

Houston

Multifamily Market | Q1 2026

Houston Leads the U.S. in Population Gains, Multifamily Momentum to Follow

Market Observations

- Greater Houston topped the U.S. in population growth last year, with 127,000 new residents, according to the Census Bureau, keeping rental demand buoyant while job gains – measuring up in March by 16,400 new hires – gave fuel to high-end apartment leasing, mainly in Class A properties where 75% of activity occurred. The remainder was concentrated in Class C and Class D, 678 and 413 units, respectively. The Class B segment finished negligibly in the red, with move-outs exceeding new demand by 759 units, as renters upgraded, purchased homes or relocated out of the Houston region.
- As a result, Houston’s multifamily sector posted positive demand in the first quarter, marking more than two years of consecutive net absorption growth. New construction climbed to 14K units with 86% concentrated in suburban areas.
- Developers completed 4,015 new operating units during the quarter, pushing deliveries above the four-quarter average of 3,803 units. Quarterly net absorption is slightly below (3,578 units), bumping rental concessions by 14.7% over the last 90 days. Although recent completions outpaced market-wide absorption, occupancy remained steady this quarter and improved on a year-over-year basis, rising 1.7% since Q1 2025.



796K Units
Inventory



3,578 Units
Net Absorption



897 SF
Average size/Unit



90.4%
Occupancy



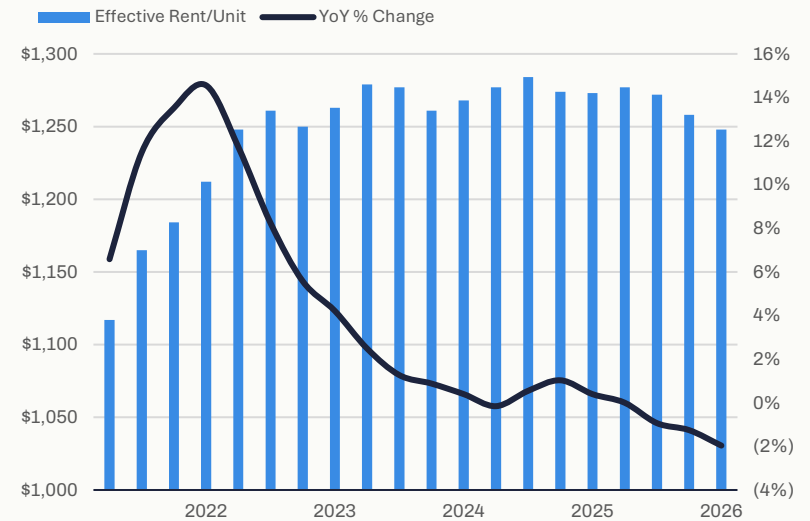
14,034 Units
Under Construction



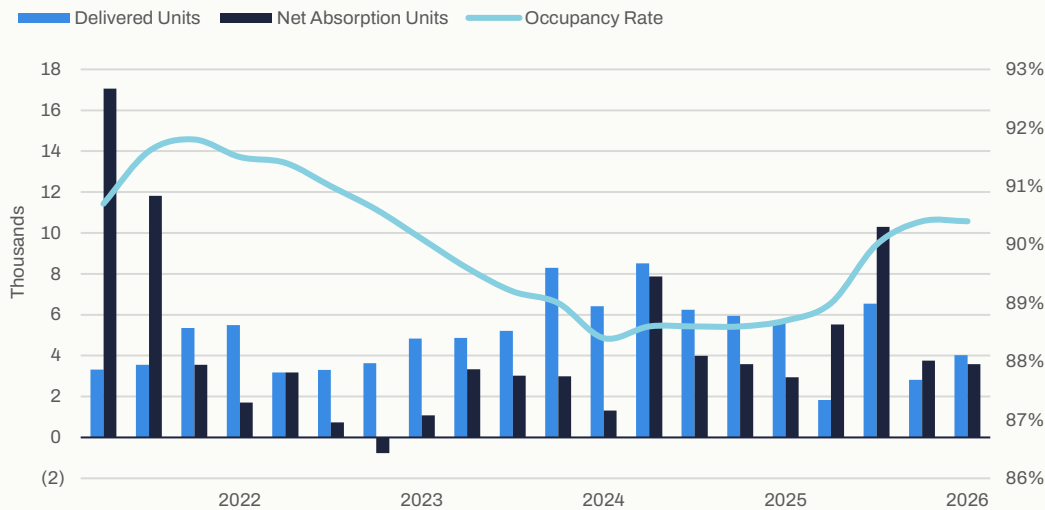
\$1,248
Effective Rent/Unit

- Looking ahead, the number of proposed units contracted nearly 4% in the past 90 days to just over 34,300, according to MRI Apartment Data. This level of future development is down, both for the quarter and year, when it reached more than 38,000 in January 2025, indicating the construction pipeline is tapering, just as the level of new jobs is expected to accelerate, with the rate growing by 20 basis points in 2027, according to a recent forecast by Oxford Economics. Combined, these market estimates – both for new construction and job formation – point towards leasing improvement to gain steam in the second half of 2026, strengthening into 2027.
- Moreover, the underlying fundamentals of positive job and population growth are currently giving Houston a competitive advantage. Specifically, Houston’s overall occupancy, at 90.4%, remains higher than all other Texas metros with Dallas–Fort Worth, San Antonio, and Austin trailing at 90.3%, 89.0%, and 87.7%, respectively.
- Notable deliveries include a mix of urban and suburban projects, such as The Langley, a trophy 134-unit Class A high-rise in Montrose/Museum/Midtown and Astra Benders Landing, a 372-unit Class A low-rise in The Woodlands/Conroe South submarket.

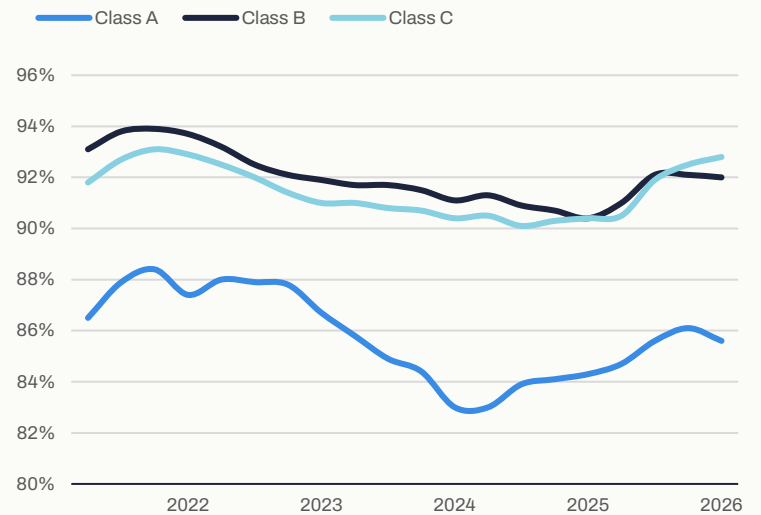
Asking Rent



Delivery Impact On Key Indicators



Occupancy by Class, Class A, Class B, Class C



Market Indicators Table

All Classes of Units | Q1 2026

Submarket	# 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	88.0%	256	1,955	0.6%	464
2. Highland Village/ Upper Kirby/ West U	70	19,699	90.8%	(93)	1,879	(3.8%)	317
3. Med Center/ Braes Bayou	87	26,539	89.3%	(7)	1,373	(4.3%)	350
4. Heights/ Washington Ave	87	22,095	91.2%	461	1,711	(2.2%)	214
5. Downtown	35	8,983	85.3%	18	1,948	(3.7%)	622
6. Galleria/ Uptown	107	25,396	89.7%	(138)	1,392	(2.4%)	185
7. Woodlake/ Westheimer	38	12,361	92.9%	46	1,106	(4.5%)	-
8. Energy Corridor/ CityCentre/ Briar Forest	118	35,638	90.5%	77	1,282	(5.2%)	839
9. Westchase	53	15,512	91.5%	(16)	1,058	(5.3%)	-
10. Alief	115	28,040	91.5%	77	1,054	(2.0%)	-
11. Sharpstown/ Westwood	107	25,745	92.0%	(208)	891	(2.0%)	-
12. Westpark/ Bissonnet	58	16,958	93.8%	68	881	(5.2%)	-
13. Braeswood/ Fondren SW	83	22,161	91.5%	(113)	945	(1.3%)	-
14. Almeda/ South Main	27	5,351	92.2%	66	1,029	0.1%	155

Source: Transwestern, MRI – Apartment Data

Market Indicators Table – Cont.

All Classes of Units | Q1 2026

Submarket	# OF APT. COMMUNITIES	# OF APT. UNITS	OCCUPANCY	NET ABSORPTION UNITS	AVERAGE EFFECTIVE RENT	RENT % CHANGE YOY	UNITS UNDER CONSTRUCTION
15. Sugar Land/ Stafford/ Sienna	81	19,218	90.8%	103	1,418	(3.6%)	1,016
16. Richmond/ Rosenberg	37	6,861	91.5%	(44)	1,250	(1.3%)	685
17. Brookhollow/ Northwest Crossing	102	23,277	90.5%	195	1,090	0.0%	-
18. Memorial/ Spring Branch	126	26,313	92.1%	232	1,212	(2.1%)	466
19. Inwood/ Hwy 249	32	6,302	91.5%	83	1,025	(1.1%)	-
20. Willowbrook/ Champions/ Ella	171	43,207	91.1%	227	1,083	(2.9%)	725
21. Jersey Village/ Cypress	75	18,168	89.4%	(75)	1,223	(1.4%)	366
22. Bear Creek/ Copperfield/ Fairfield	91	24,560	88.9%	312	1,341	(2.5%)	709
23. Katy/ Cinco Ranch/ Waterside	180	50,743	85.8%	434	1,398	(6.1%)	1,065
24. Tomball/ Spring	95	23,975	88.8%	100	1,372	(2.2%)	734
25. Woodlands/ Conroe South	91	25,094	88.4%	83	1,446	(1.0%)	969
26. Conroe North/ Montgomery	75	14,951	86.6%	77	1,198	(0.7%)	-
27. I-10 East/ Woodforest/ Channelview	65	13,792	92.3%	207	1,086	(0.7%)	-
28. I-69 North	33	5,427	91.2%	76	1,094	1.5%	-

Source: Transwestern, MRI – Apartment Data

Market Indicators Table – Cont.

All Classes of Units | Q1 2026

Submarket	# OF APT. COMMUNITIES	# OF APT. UNITS	OCCUPANCY	NET ABSORPTION UNITS	AVERAGE EFFECTIVE RENT	RENT % CHANGE YOY	UNITS UNDER CONSTRUCTION
29. Northline	54	7,386	92.1%	45	998	(3.3%)	177
30. Greenspoint/ Northborough/ Aldine	71	17,761	90.4%	51	937	(1.1%)	-
31. FM 1960 East/ IAH Airport	48	9,514	94.0%	(66)	1,112	1.1%	300
32. Lake Houston/ Kingwood	83	20,092	90.1%	106	1,322	(3.2%)	1,186
33. Northeast Houston/ Crosby	25	3,742	93.8%	43	1,084	1.7%	300
34. Hwy 288 South/ Pearland West	62	15,859	89.9%	119	1,429	0.1%	716
35. U of H/ I-45 South	131	21,470	90.2%	(13)	999	7.8%	298
36. Beltway 8 / I-45 South	55	14,489	94.1%	252	1,053	(1.1%)	-
37. Pasadena/ Deer Park/ La Porte	131	25,354	90.9%	233	1,089	0.6%	-
38. Friendswood/ Pearland East	34	6,463	94.5%	54	1,288	1.1%	611
39. Clear Lake/ Webster/ League City	107	27,292	92.6%	(89)	1,264	(1.8%)	565
40. Baytown	63	12,336	88.0%	39	1,114	3.1%	-
41. Dickinson/ Galveston	87	13,796	93.0%	25	1,183	(0.4%)	-
42. Alvin/ Angleton/ Lake Jackson	80	13,349	89.3%	275	1,040	(1.5%)	-
Houston	3,351	795,705	90.4%	3,578	1,248	(2.0%)	14,034

Source: Transwestern, MRI – Apartment Data

Research Methodology

The information in this report is the result of a compilation of information on multifamily 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

Transwestern is a preeminent, vertically integrated commercial real estate firm dedicated to serving investors, partners and clients through expertise in investment, development, brokerage and property management. We own, lease and operate \$57 billion¹ in assets and have completed or commenced development on more than \$9 billion of real estate projects since 2012. Our experience spans diverse property types, including logistics, multifamily, retail, mixed-use, healthcare, office, data centers, hotel, and life sciences. Across 33 offices nationwide, our team is united by a culture that cultivates agility, mutual trust and high performance. Learn more at [transwestern.com](https://www.transwestern.com).

¹ Includes the Transwestern organization and RIA AUM as of June 30, 2025.

For More Information

Robert Kramp

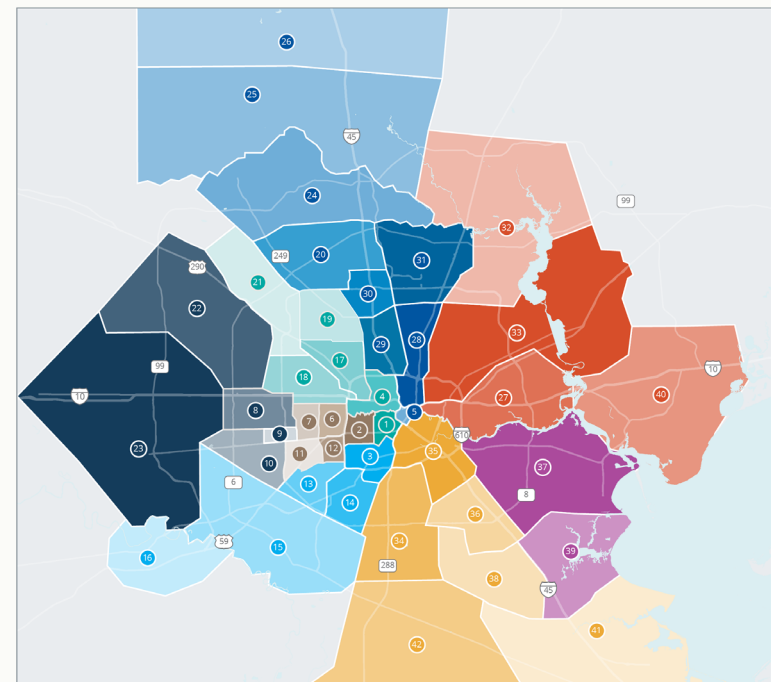
SVP, Dallas/Houston Regional Research Director
 Research & Investment Analytics
Robert.Kramp@transwestern.com
 713.270.3346

Harrison Owens

Senior Analyst | Research Services
Harrison.Owens@transwestern.com
 713.270.3338

Kelsey Meck

Analyst | Research & Investment Analytics
Kelsey.Meck@transwestern.com
 713.272.1286



1 Montrose/Museum/Midtown	12 Westpark/Bissonnet	23 Katy/Cinco Ranch/Waterside	34 Hwy 288 South/Pearland West
2 Highland Vlg/Upper Kirby/West U	13 Braeswood/Fondren SW	24 Tomball/Spring	35 U of H/I-45 South
3 Med Center/Braes Bayou	14 Almeda/South Main	25 Woodlands/Conroe South	36 Beltway 8/I-45 South
4 Heights/Washington Ave	15 Sugar Land/Stafford/Sienna	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/ Webster/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/Aldine	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	

© 2026 Transwestern. All rights reserved. No part of this work may be reproduced or distributed to third parties without written permission of the copyright owner. The information contained in this report was gathered by Transwestern from CoStar and other primary and secondary sources.
[transwestern.com](https://www.transwestern.com)