Transwestern

Houston

Multifamily Market | Q2 2026

Absorption Outpaces New Supply, Positive Leasing Demand in All Classes

Market Observations

- Greater Houston recorded 7,008 units of new absorption at the close of the second quarter. Specifically, 36 of the 42 submarkets posted numbers in the black, with demand measured throughout urban and suburban submarkets. The mid-summer gains were likewise spread across all building classes, with Class A clocking in at 4,604 units, followed by Class B (985 units), Class D (768 units), and Class C (651 units).
- New construction activity continues to be heavily concentrated outside the region's central core, with 83% - or more than 11K units - currently under development in suburban areas, compared with 2.2K units underway in Houston's urban core. Only one submarket claims more than a thousand units underway, Lake Houston/ Kingwood, with 1,186 units currently being built.
- Overall, more than half of the region's 42 submarkets currently have ongoing construction, a share that has remained unchanged over the previous three quarters.

799K Units
Inventory

7,008 Units
Net Absorption

896 SF
Average size/Unit

90.9%
Occupancy

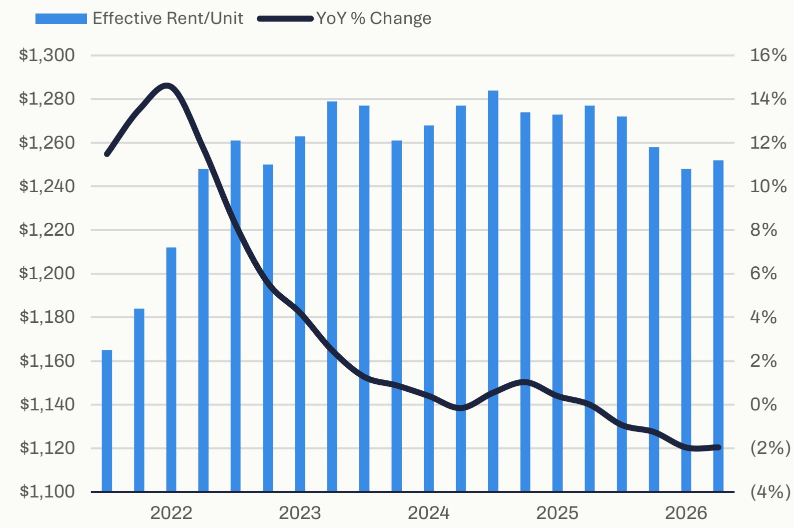
13,319 Units
Under Construction

$1,252
Effective Rent/Unit

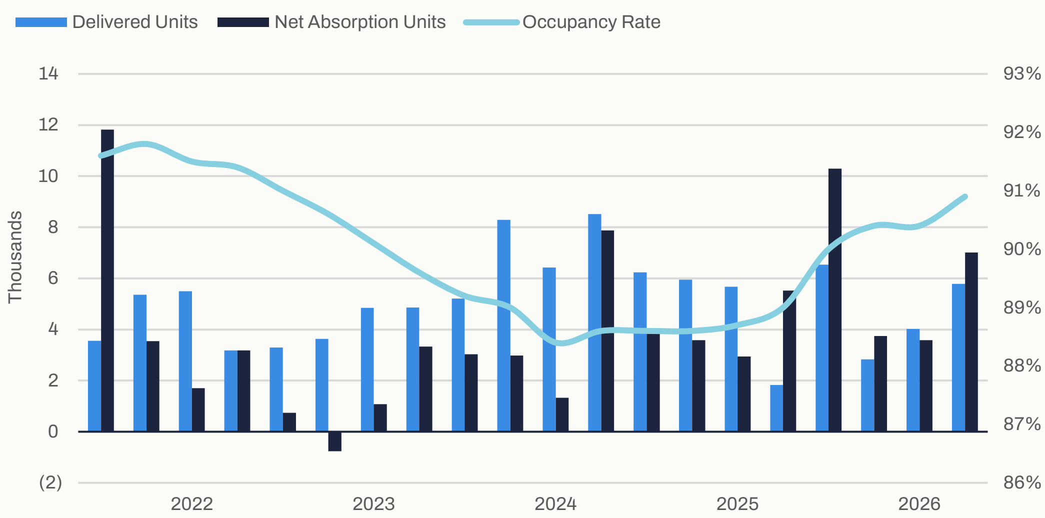
Houston

- Houston's positive 90-day leasing velocity outpaced the two-year average by nearly 40%, and on the strength of that quarterly demand, occupancy rose close to 91%, up 50 bps QoQ and approximately 2% YoY. Compared to Texas's other major metros, Houston led occupancy across the board, followed by Dallas-Fort Worth (90.6%), San Antonio (89.5%), and Austin (88.6%).
- The average market wide asking rent ticked up as well over the last 90 days, with average rent per unit reaching $1,252. Even so, average rent declined 2.0% compared with the same period last year, and concessions were offered at 1.0% more units across the metro over that span, bringing the total share of units with some level of offering to 55%.
- Houston delivered 5,791 new operating units during the second quarter, placing quarterly deliveries above the four-quarter average of 4,793 units. However, completions did not outweigh net absorption, with net demand outpacing new deliveries by 21% at quarter close.

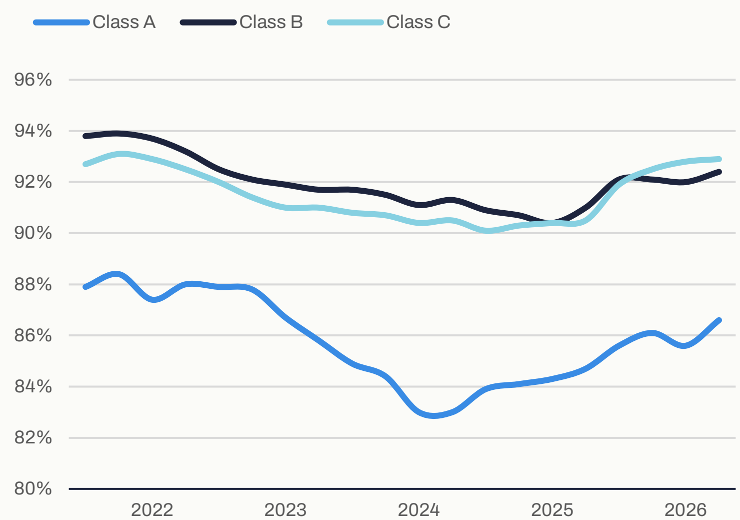
Asking Effective Rent



Delivery Impact On Key Indicators



Occupancy by Class



Source: Transwestern, MRI – ApartmentData.com

Market Indicators Table

All Classes of Units | Q2 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	82	20,570	89.9%	350	2,071	(0.2%)	330
2. Highland Village/ Upper Kirby/ West U	71	19,821	92.8%	309	1,917	(3.0%)	648
3. Med Center/ Braes Bayou	87	26,539	91.0%	262	1,389	(3.4%)	350
4. Heights/ Washington Ave	87	22,095	92.3%	281	1,751	0.4%	284
5. Downtown	35	8,983	87.4%	191	1,945	(1.9%)	622
6. Galleria/ Uptown	107	25,396	91.4%	374	1,377	(2.8%)	426
7. Woodlake/ Westheimer	38	12,361	93.4%	60	1,097	(4.9%)	-
8. Energy Corridor/ CityCentre/ Briar Forest	118	35,638	91.3%	356	1,290	(3.8%)	839
9. Westchase	53	15,512	91.4%	(44)	1,041	(3.6%)	-
10. Alief	115	28,040	91.5%	(4)	1,054	(0.9%)	-
11. Sharpstown/ Westwood	107	25,745	92.4%	152	874	(3.6%)	-
12. Westpark/ Bissonnet	58	16,958	94.0%	42	870	(2.8%)	-
13. Braeswood/ Fondren SW	84	22,392	89.6%	(115)	930	(2.4%)	-
14. Almeda/ South Main	28	5,717	90.4%	196	1,035	0.7%	-

Source: Transwestern, MRI – Apartment Data

Market Indicators Table – Cont.

All Classes of Units | Q2 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	82	19,498	90.2%	84	1,401	(4.4%)	736
16. Richmond/ Rosenberg	37	6,861	91.1%	(32)	1,268	(1.7%)	685
17. Brookhollow/ Northwest Crossing	102	23,277	91.3%	181	1,089	1.1%	-
18. Memorial/ Spring Branch	126	26,313	93.0%	225	1,215	(1.2%)	466
19. Inwood/ Hwy 249	32	6,302	90.4%	19	1,031	(0.6%)	-
20. Willowbrook/ Champions/ Ella	172	43,290	91.9%	264	1,083	(3.1%)	725
21. Jersey Village/ Cypress	75	18,168	91.0%	231	1,235	(1.8%)	366
22. Bear Creek/ Copperfield/ Fairfield	91	24,560	89.9%	251	1,332	(3.6%)	709
23. Katy/ Cinco Ranch/ Waterside	183	51,549	85.5%	562	1,384	(5.5%)	764
24. Tomball/ Spring	96	24,057	89.5%	201	1,375	(1.6%)	970
25. Woodlands/ Conroe South	92	25,420	88.0%	212	1,466	0.1%	657
26. Conroe North/ Montgomery	75	14,951	90.1%	496	1,222	0.7%	165
27. I-10 East/ Woodforest/ Channelview	65	13,792	92.1%	21	1,089	(1.7%)	-
28. I-69 North	33	5,427	92.0%	82	1,100	2.3%	-

Source: Transwestern, MRI – Apartment Data

Market Indicators Table – Cont.

All Classes of Units | Q2 2026

Submarket	# OF APT. COMMUNITIES	# OF APT. UNITS	OCCUPANCY	NET ABSORPTION UNITS	AVERAGE EFFECTIVE RENT	RENT % CHANGE YOY	UNITS UNDER CONSTRUCTION
29. Northline	55	7,652	88.3%	(35)	1,030	0.6%	177
30. Greenspoint/ Northborough/ Aldine	71	17,761	91.1%	221	904	(3.3%)	-
31. FM 1960 East/ IAH Airport	49	9,690	92.9%	56	1,112	(0.2%)	300
32. Lake Houston/ Kingwood	84	20,380	90.2%	299	1,323	(3.4%)	1,186
33. Northeast Houston/ Crosby	25	3,742	95.1%	38	1,035	(2.8%)	300
34. Hwy 288 South/ Pearland West	63	16,236	89.2%	212	1,437	0.1%	336
35. U of H/ I-45 South	133	21,725	91.4%	458	1,010	5.8%	102
36. Beltway 8 / I-45 South	55	14,489	94.7%	32	1,045	(4.4%)	-
37. Pasadena/ Deer Park/ La Porte	131	25,354	90.1%	(157)	1,076	(1.3%)	-
38. Friendswood/ Pearland East	34	6,463	95.7%	80	1,280	(0.4%)	611
39. Clear Lake/ Webster/ League City	107	27,292	93.0%	100	1,247	(2.0%)	565
40. Baytown	65	12,543	90.1%	237	1,132	2.4%	-
41. Dickinson/ Galveston	88	13,972	93.2%	62	1,220	0.7%	-
42. Alvin/ Angleton/ Lake Jackson	80	13,349	90.7%	198	1,043	(2.3%)	-
Houston	**3,371**	**799,880**	**90.9%**	**7,008**	**1,252**	**(2.0%)**	**13,319**

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 billion[1] 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.

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

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