

# HOUSTON, TX

## 2023 MARKET AT A GLANCE

Occupancy Rate

92.7%



DOWN 90 BPS YOY

Effective Rent

\$1,358



UP 2.4% YOY

Rent Share of Wallet

20.0%



DOWN 30 BPS YOY

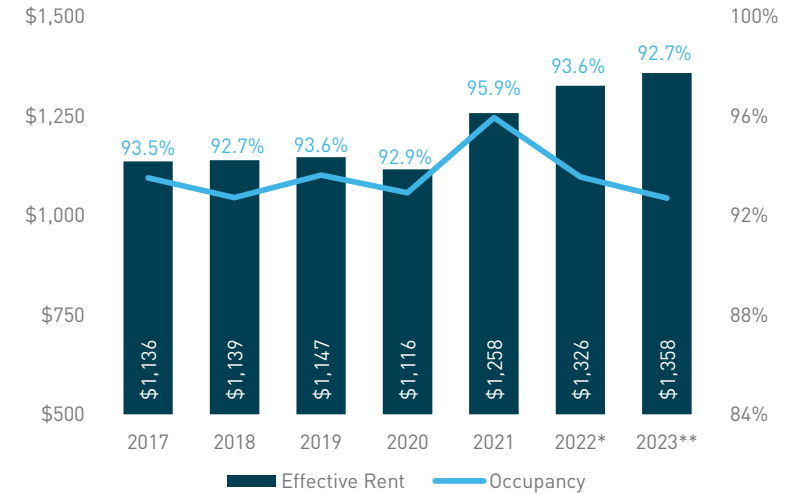
## Return to Historical Averages, Bright Outlook for Houston Multifamily Market

The Houston apartment market fundamentals are projected to return to historical averages this year. Stakeholders can expect headwinds early in 2023 attributed to the development pipeline, with over 17,300 new units delivering this year. Developers continue to build Class A units in affluent submarkets. River Oaks, in the urban core, and Bear Creek, just north of the Energy Corridor, are among the top Houston submarkets for multifamily units under construction and are among the wealthiest. Renters in both submarkets are expected to generate enough demand to offset elevated deliveries, as favorable economic and demographic conditions position them among the submarkets with the highest anticipated net absorption this year. River Oaks boasts a durable base of office jobs while Bear Creek is one of the fastest growing submarkets by population in the metro area. Even with heavy deliveries in the first part of the year, Houston no longer ranks among the top 10 markets for most new units under construction, which favors long-term rent growth and average occupancy rates. Robust net migration and household growth should continue to fuel demand for Houston area apartments. Record low single-family for sale inventory and higher borrowing costs will hinder homeownership for many new residents in the near future. While the impacts on occupancy and rent growth will not be seen immediately, look for average occupancy rates and rent growth to rise in the second half of 2023 and beyond.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

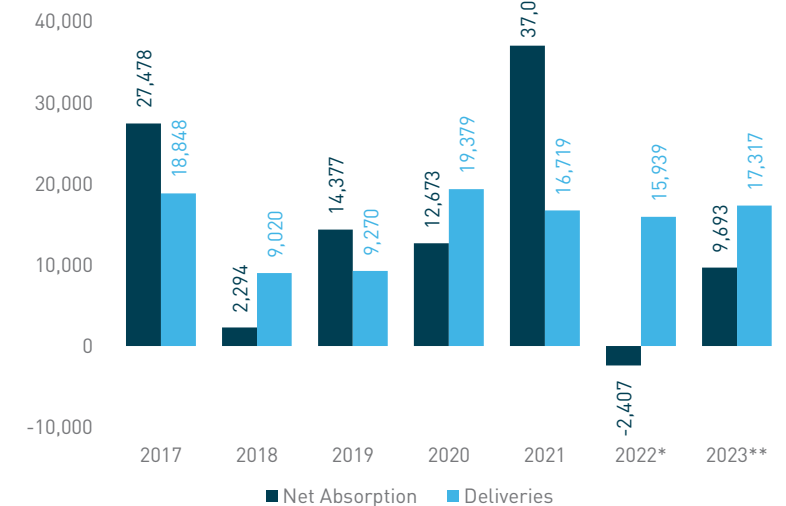
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

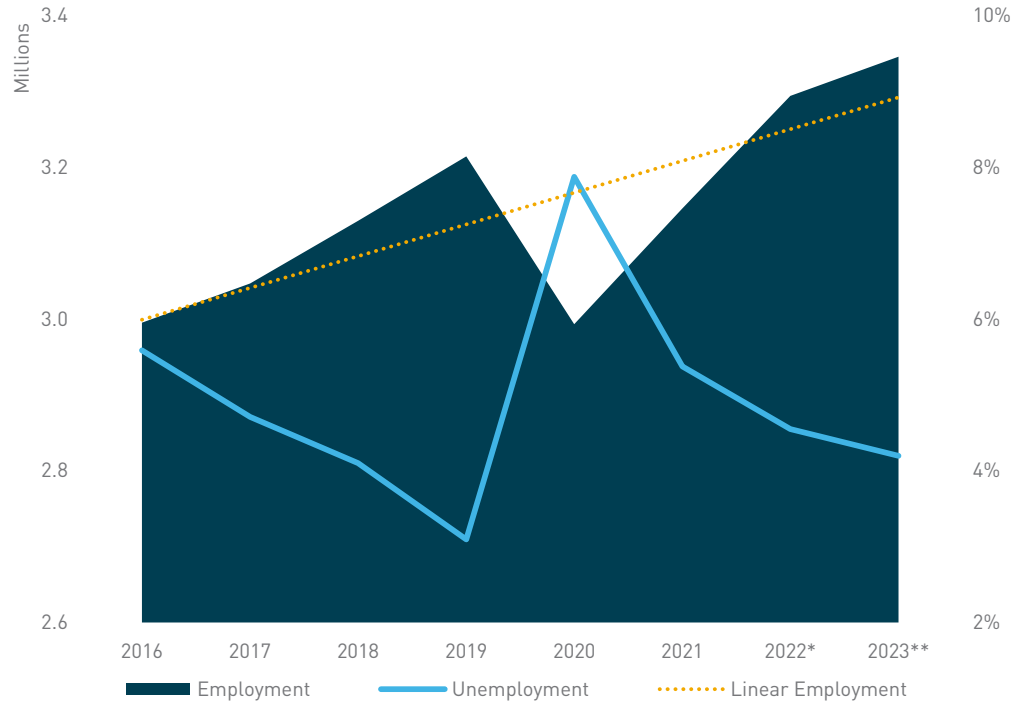


\*Projected \*\*Forecast

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## Employment Trends

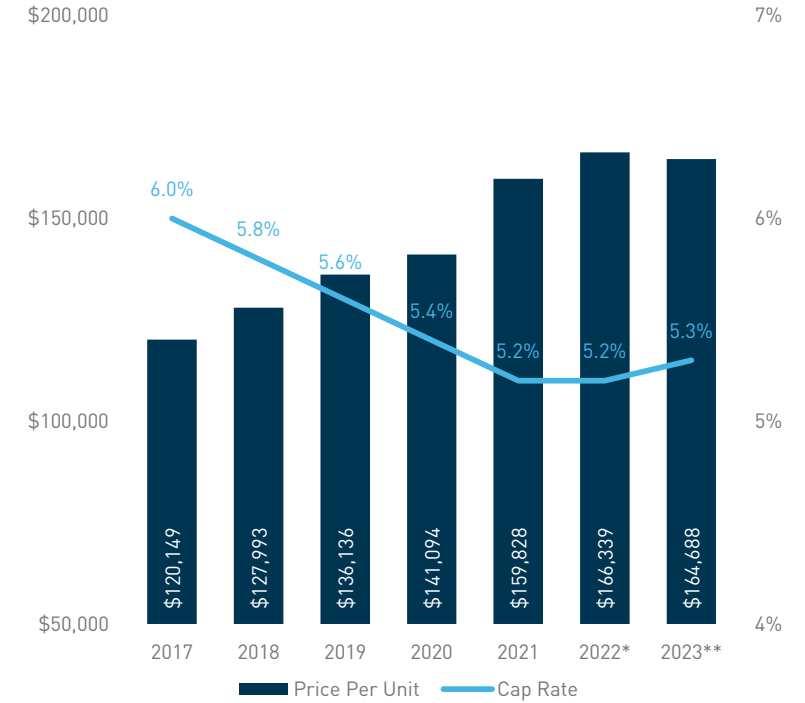
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>3,345,500</b></p> <p>↑</p> <p>UP 1.6% YOY</p>	<p>Unemployment</p> <p><b>4.2%</b></p> <p>↓</p> <p>DOWN 30 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$81,683</b></p> <p>↑</p> <p>UP 4.3% YOY</p>
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<p>Price Per Unit</p> <p><b>\$164,688</b></p> <p>↓</p> <p>DOWN 1.0% YOY</p>	<p>Cap Rate</p> <p><b>5.3%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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