



# Multi-Family Market Report

# Houston - TX USA

PREPARED BY

---



Jhanvi Thakar  
Principal



**MULTI-FAMILY MARKET REPORT**

Market Key Statistics	1
Vacancy	3
Rent	6
Construction	12
Under Construction Properties	14
Sales	16
Sales Past 12 Months	18
Economy	20
Market Submarkets	26
Supply & Demand Trends	30
Vacancy & Rent	32
Sale Trends	34
Deliveries & Under Construction	36

12 Mo Delivered Units

**13,690**

12 Mo Absorption Units

**6,628**

Vacancy Rate

**12.7%**

12 Mo Asking Rent Growth

**-1.2%**

Houston's multifamily market appears to be moving toward a long-awaited supply-demand reset, but the turning point has yet to materialize as of 2026q1. Even as construction activity moderates, new deliveries continue to outpace slowing demand. This trend is expected to persist through the first half of the year, as it has for the past four years, pushing vacancy higher.

Within the lower- and mid-tier segments, local property managers cite mounting economic strain and heightened deportation concerns as key factors weighing on renter demand. Meanwhile, a slowdown in office-using employment, an important driver of demand for 4 & 5 Star properties, has tempered leasing momentum among top-tier communities.

Suburban submarkets continue to be the primary engine of demand, drawing budget-minded renters seeking newer finishes and access to nearby employment hubs. Over the past year, most positive absorption has been concentrated in suburban areas, especially to the northwest and southwest of Houston's city limits, while many urban submarkets have experienced elevated move-outs, particularly among workforce housing communities.

More than 62,000 units have delivered in Houston since 2023. Vacancy is still quite high for apartments built in 2024, with average vacancy hovering near 20%; the newest 2025 cohort is posting a vacancy rate of 57%.

This influx of new supply has intensified competition. Local property managers note that historically, the multifamily occupancy benchmark was 95%. The new sweet spot is 93%. Many are opting to maintain stronger occupancy rates through heavy concessions rather than pushing rent growth, which turned negative in 25Q2 for the first time in 15 years and remains so today.

Asking rents have fallen in high-growth areas north of Houston, like Bear Creek/Copperfield, northwest, and Cinco Ranch, west. Local property managers note that competition for renters is leading to a longer tour-to-lease timeline, and offering four to six weeks of free rent has often become necessary to secure a lease in brand-new properties. Meanwhile, affordable submarkets with minimal new supply, like Alief and Baytown, have been among the top performers in the past 12 months.

Vacancy among stabilized assets has risen by 100 basis points over the past two quarters to now above 11%, partially offset by declining vacancy in recently delivered properties progressing through lease-up. Looking ahead, the combination of elevated supply and a recent cooling in absorption suggests that overall vacancy could remain above 12% until next year. Even so, stabilized properties are not expected to see significantly more upward movement in vacancy. The house view keeps rent growth negative for most of 2026, with a more meaningful recovery anticipated in 2027.

### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	307,717	11.4%	\$1,682	\$1,656	587	1,345	7,590
3 Star	299,015	14.0%	\$1,185	\$1,168	(344)	1,557	4,365
1 & 2 Star	134,043	12.6%	\$1,026	\$1,014	(128)	0	0
<b>Market</b>	<b>740,775</b>	<b>12.7%</b>	<b>\$1,369</b>	<b>\$1,349</b>	<b>115</b>	<b>2,902</b>	<b>11,955</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.7% (YOY)	9.6%	11.8%	12.7%	2026 Q1	6.0%	2000 Q3
Absorption Units	6,628	9,761	8,692	38,553	2021 Q4	(6,148)	2002 Q1
Delivered Units	13,690	12,804	8,847	26,730	2024 Q1	518	2011 Q4
Demolished Units	7	540	298	4,076	2014 Q1	0	2023 Q4
Asking Rent Growth	-1.2%	1.9%	1.1%	7.9%	2022 Q1	-2.5%	2010 Q1
Effective Rent Growth	-0.7%	1.8%	1.2%	9.1%	2022 Q1	-2.4%	2010 Q1
Sales Volume	\$813M	\$1.9B	N/A	\$5.3B	2022 Q2	\$412.7M	2009 Q2

Although Houston's multifamily demand continues to benefit from robust population growth, elevated mortgage rates, and wages rising faster than rents, the recent slowdown in the job market has started to significantly hinder overall performance. Quarterly net absorption turned negative in 25Q4 for the first time in three years, and annual demand now sits roughly 30% below pre-pandemic norms. Over the past 12 months, renters absorbed about 6,600 units, well under the 2015–2019 annual average of nearly 11,000 units.

Demand remains concentrated in the suburbs, where renters are drawn to lower housing costs, expanding retail and employment bases, and easy freeway access. Bear Creek/Copperfield, Northwest Houston, and Sugar Land/Missouri City were among the strongest submarkets for absorption over the past year and are also among the metro's fastest-growing population centers. Vacancies are highest in submarkets with the largest construction pipelines relative to inventory, including Waller County, Outlying Montgomery County, and Southeast Montgomery County.

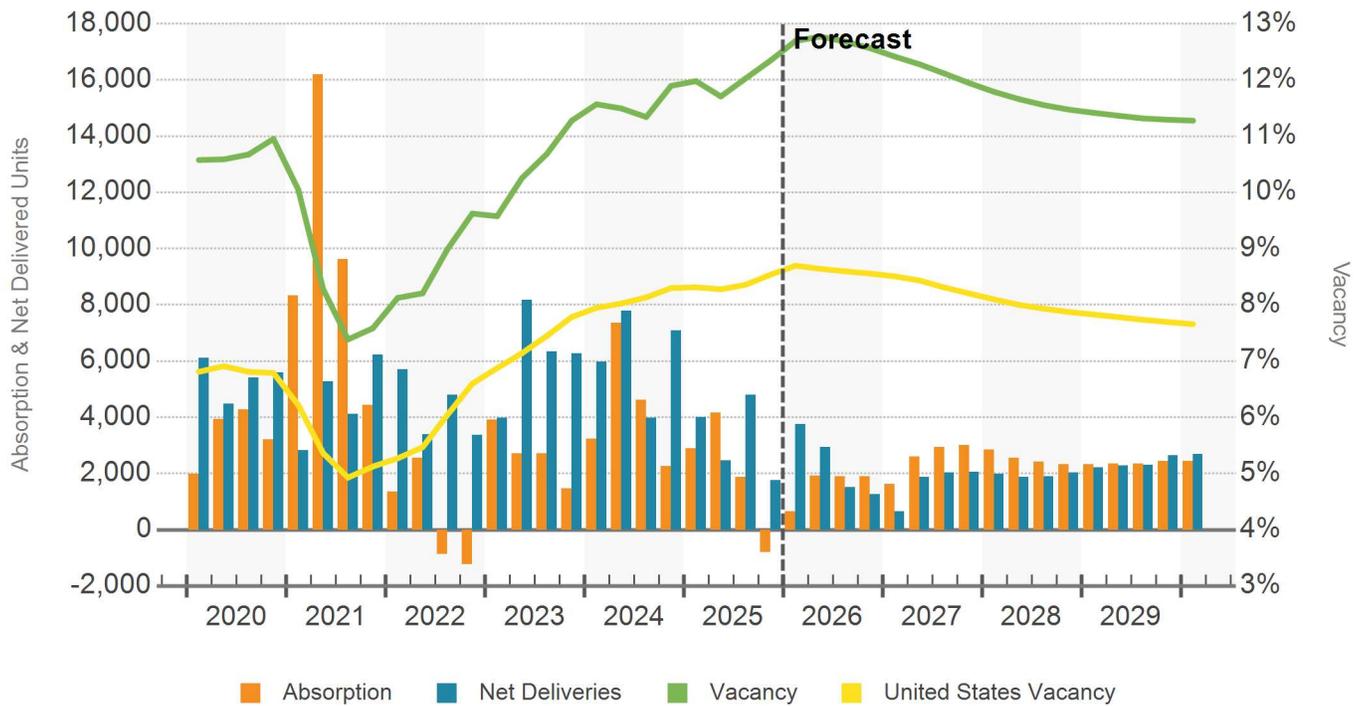
By price point, luxury assets continue to lead the market. The 4 & 5 Star segment posted 9,100 units of net absorption over the past year, while both the 1 & 2 Star and 3 Star tiers experienced net move-outs. Vacancies are lowest among luxury properties, at 11.4%, and 9% among stabilized communities due to resilient demand and a pullback in new development. In contrast, vacancy stands at 14.0% among 3 Star properties and 12.6% among 1 & 2 Star communities.

The 3 Star segment is working through its own supply wave, as some developers, responding to shifting renter preferences and cost pressures, have scaled back on high-end amenities to support more attainable rents, leading to record deliveries among mid-tier product over the past two years. Meanwhile, the lowest-priced properties continue to see steady move-outs tied to economic strain. Operators also report that some undocumented renters have left housing due to deportation concerns. As a result, annual absorption in the 1 & 2 Star cohort, which represents roughly 20% of Houston's market-rate inventory, has remained negative since 22Q3 and is expected to stay negative through 2026.

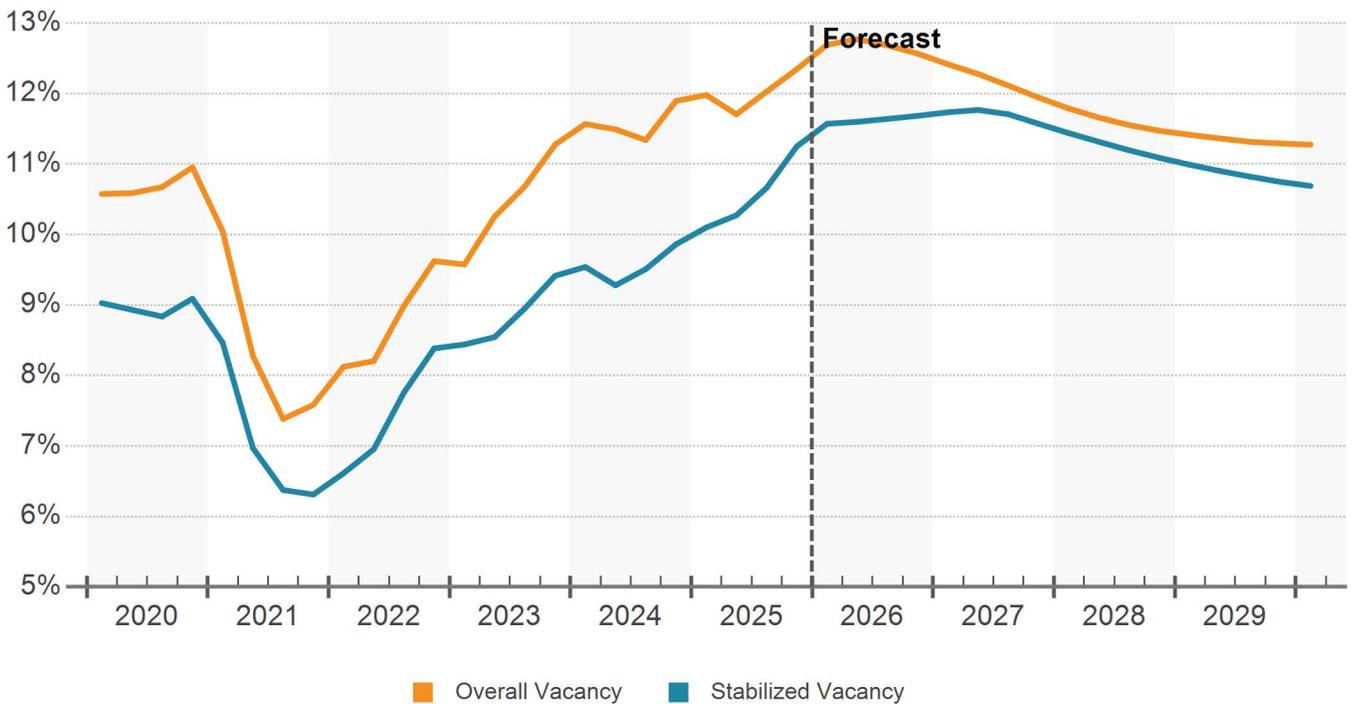
At 12.7%, Houston's overall vacancy rate is at a record high and ranks among the five highest of the nation's 50 largest markets. The rate is projected to remain above its 10-year average of 10.3% for several years as the market continues to digest excess supply. Although the construction pipeline has moderated substantially, about 12,000 units are still underway and will need to be absorbed.

Key downside risks include further softening in job growth, already evident both nationally and locally, as well as persistent inflation in essential goods such as food and energy. Both factors could slow household formation and prolong elevated vacancy across all segments of the market.

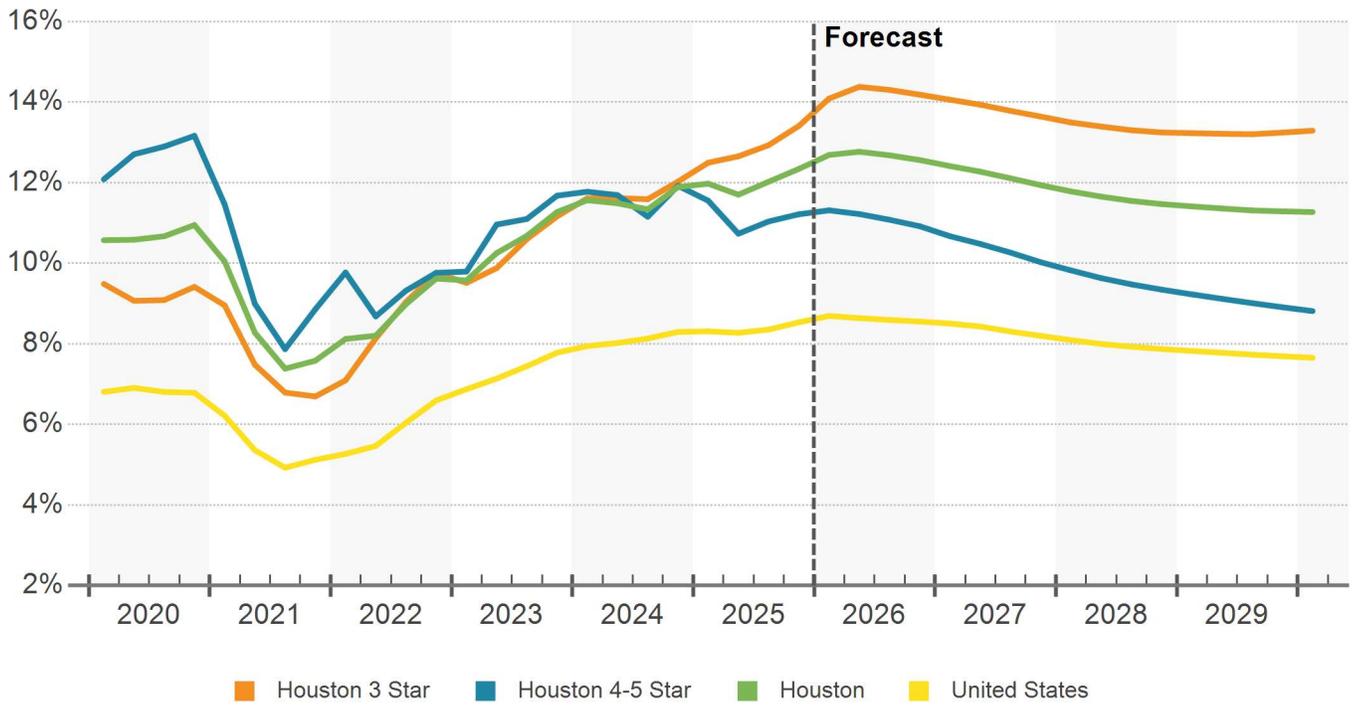
## ABSORPTION, NET DELIVERIES & VACANCY



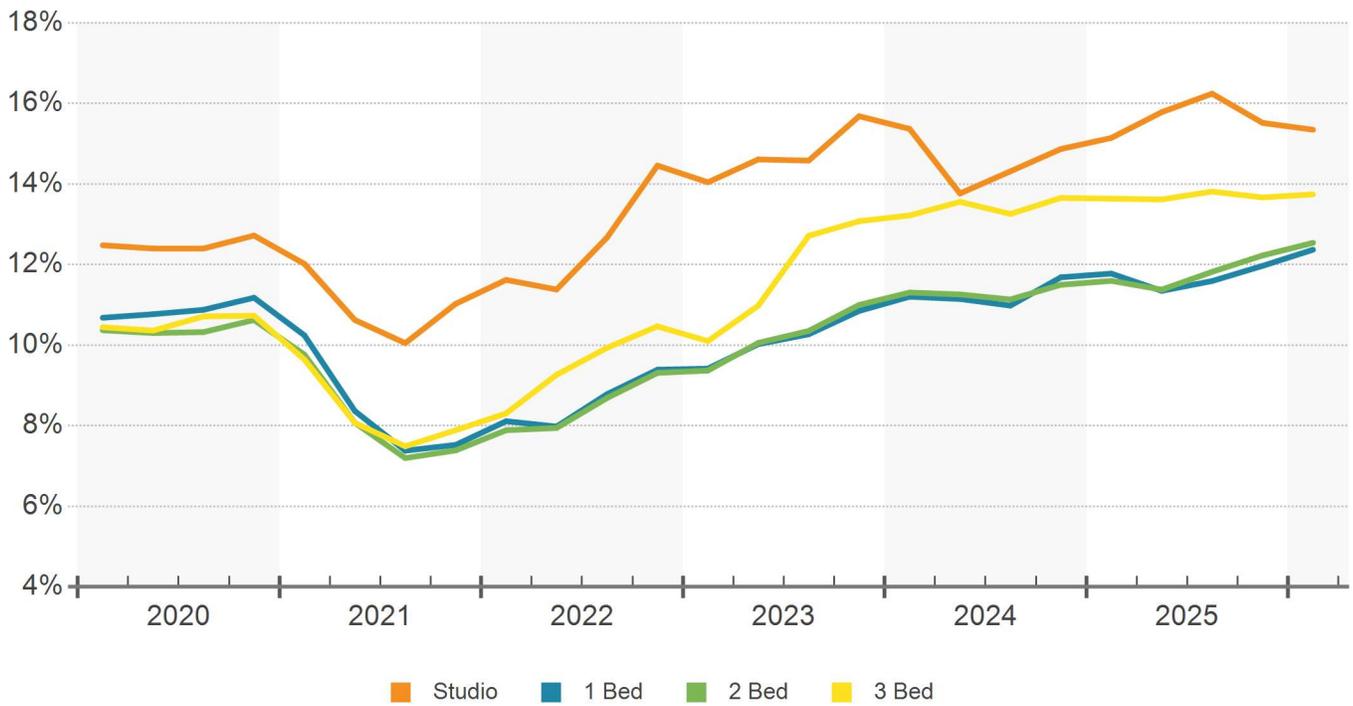
## OVERALL & STABILIZED VACANCY



## VACANCY RATE



## VACANCY BY BEDROOM



Apartment rent growth in Houston continues to decelerate, due to elevated supply and softening demand. After dipping below 1% at the end of 2023, rent growth turned negative in 25Q2 for the first time since 2010 and has remained in contraction. Rents have adjusted by -1.2% annually. Still, Houston is outperforming its Texas Triangle peers, Austin, Dallas–Fort Worth, and San Antonio, where deeper pipelines pushed rent growth into negative territory in mid-2023.

A surge of post-pandemic development from 2023 to 2025 has outpaced absorption, particularly at the top of the market. Annual rent growth for 4 & 5 Star properties now stands at -1.8% as operators cut rents to remain competitive with discount-heavy lease-ups. Rising supply has also pressured mid-tier and affordable assets: Class B and C properties in supply-heavy submarkets have trimmed rents and expanded concessions. Year-over-year, 3 Star rents have adjusted by -0.6%, and by 0.8% in the 1 & 2 Star properties.

Nevertheless, Houston remains one of the more affordable large metros. Average asking rents of \$1,370/month are roughly \$400 below the national average and \$200 below Austin and D-FW. Affordability in Houston has improved, with the rent-to-income ratio falling from 23% in 2021 to 20% today, as household incomes have increased while rent growth has softened.

Rent levels vary widely across the metro. Downtown Houston posts the highest rents at \$2,300/month, while affluent suburban submarkets like The Woodlands and

Cinco Ranch average \$1,600. In contrast, older, supply-insulated submarkets such as Greenspoint/IAH Airport and Alief offer average rents near \$1,000/month.

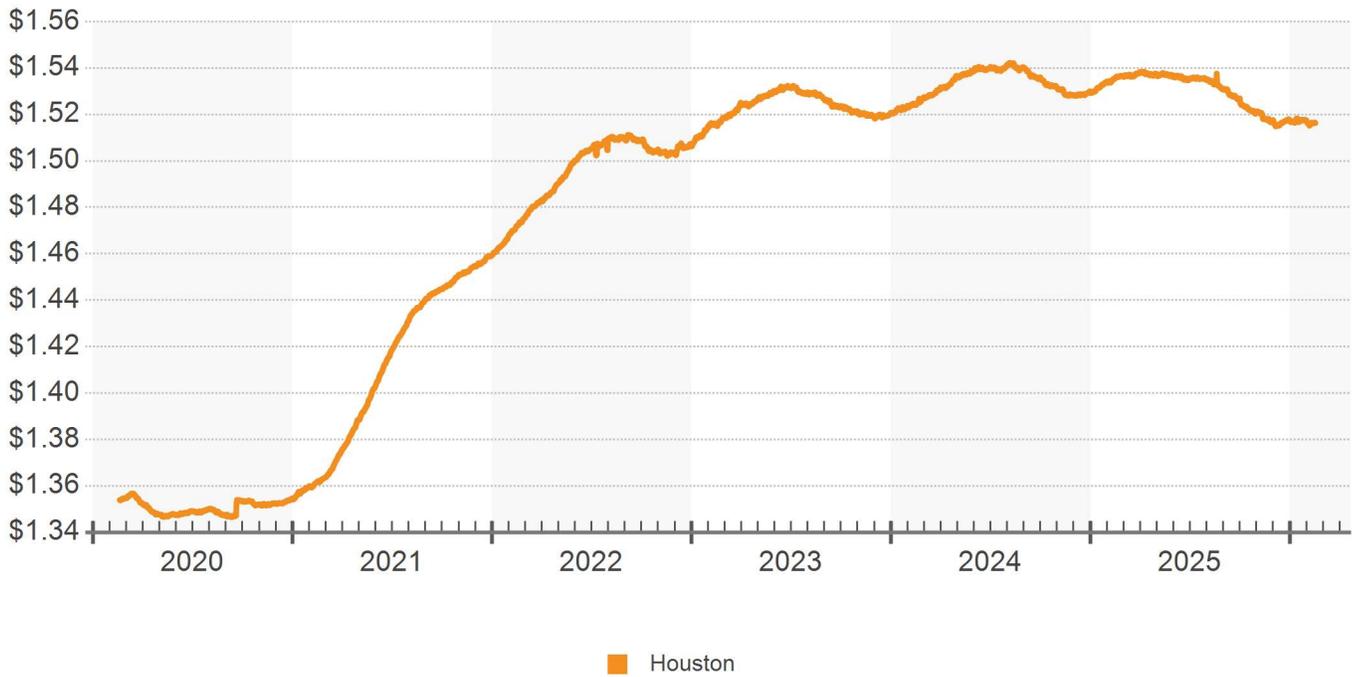
Geographically, rent growth remains weakest in areas with high levels of new supply relative to inventory, including Southeast Montgomery County and Cinco Ranch. Conversely, affordable submarkets with minimal new development, such as South Central Houston and Alief, have led rent gains annually, buoyed by steady workforce-housing demand.

Concessions are widespread and expected to remain elevated through 2026. Nearly 60% of properties offered concessions at the end of 2025, approaching record highs. In supply-heavy areas, new communities commonly offer six to eight weeks of free rent, or more. For instance, the 340-unit 1010 Waugh Apartments in Montrose is offering 10 weeks of free rent; the property is only 40% leased as of 26Q1, located in the Neartown/River Oaks submarket, which has added 10,000 units in five years.

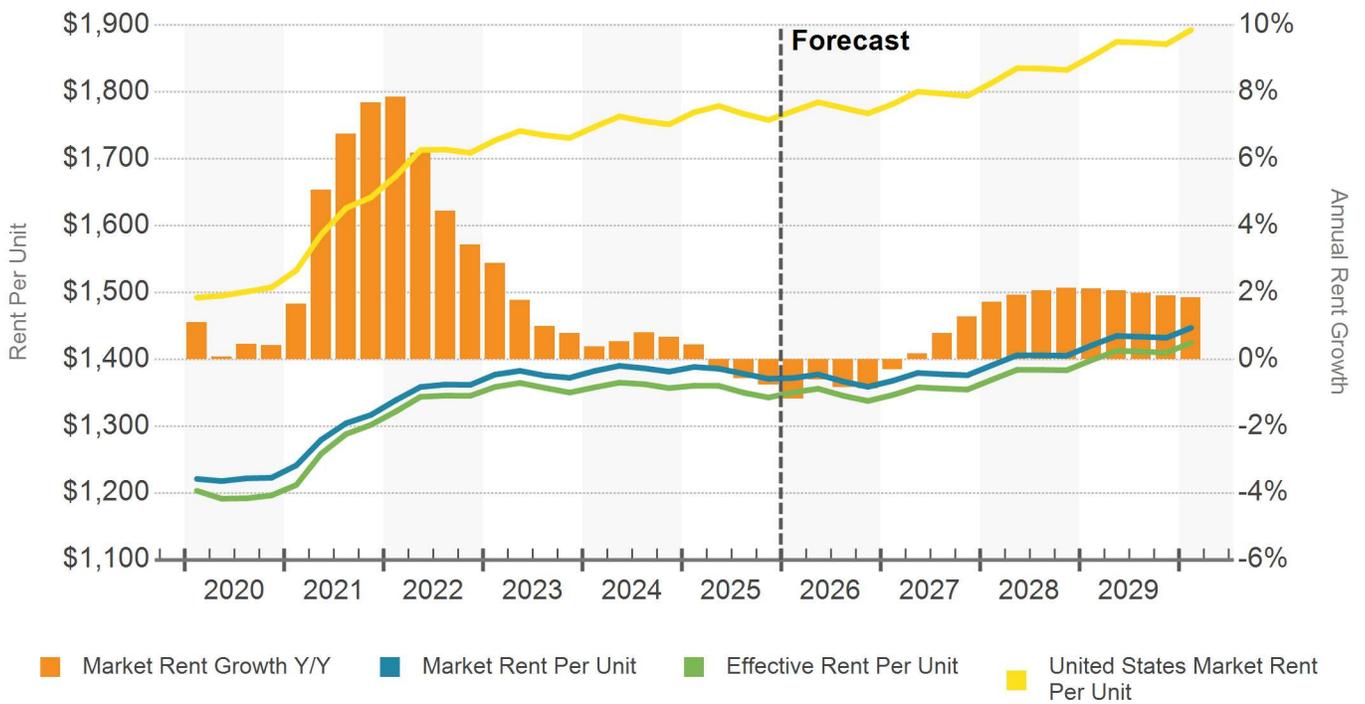
Rent growth is expected to remain negative through most of 2026, with a recovery more likely in 2027, though it may not return to the long-term average of 1.9% until early 2028.

A key downside risk is continued weakening in office-using employment, a major demand driver for luxury multifamily, which declined 2.4% year over year in December. Further contraction could place additional pressure on demand for top-tier assets.

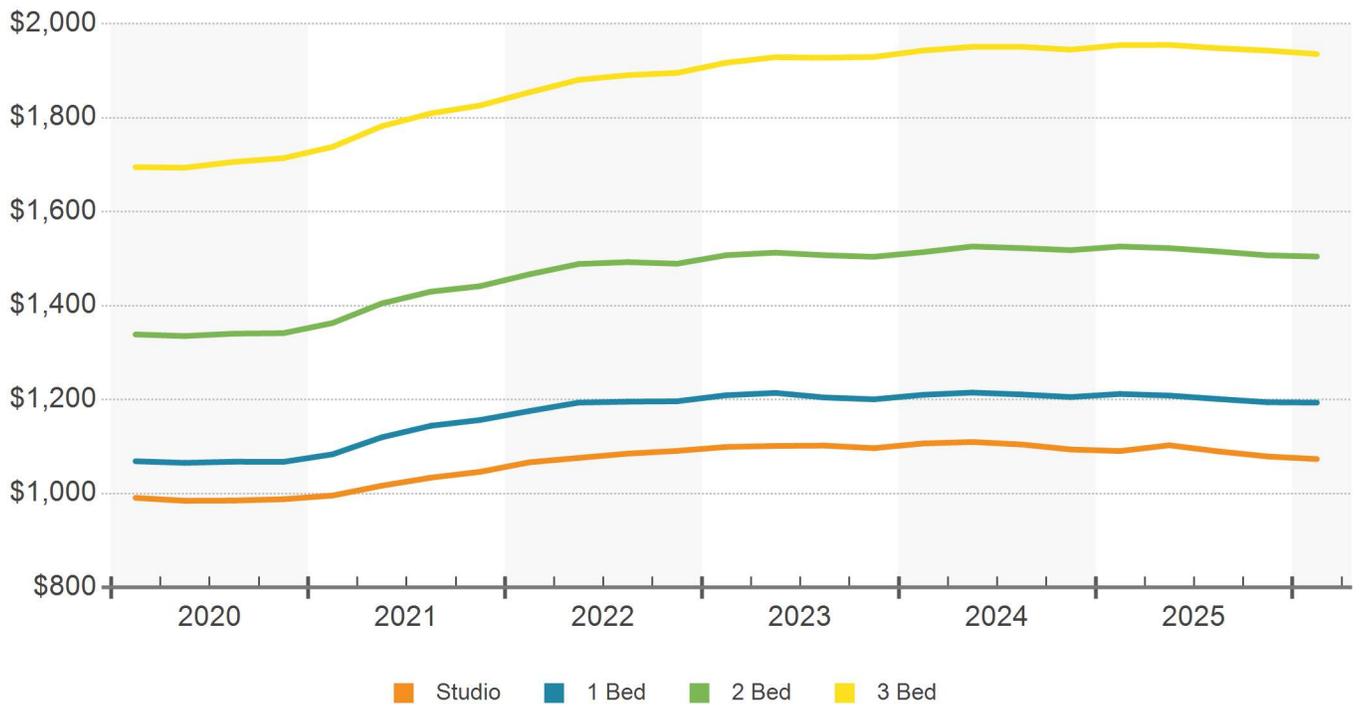
### DAILY ASKING RENT PER SF



### MARKET RENT PER UNIT & RENT GROWTH



### MARKET RENT PER UNIT BY BEDROOM



### 4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
<b>Houston</b>	\$0.43	\$0.72	\$0.34	\$0.42	\$0.68	\$0.98	\$0.48	\$2.32	\$0.13	\$0.26	\$0.79	<b>\$7.55</b>
Alief	\$0.44	\$0.97	\$0.97	\$0.84	\$1.23	\$1.06	\$0.57	\$1.82	\$0.11	\$0.39	\$0.99	<b>\$9.39</b>
Baytown	\$0.38	\$0.88	\$0.44	\$0.47	\$0.70	\$0.88	\$0.60	\$1.47	\$0.05	\$0.16	\$0.56	<b>\$6.59</b>
Bear Creek/Copperf...	\$0.42	\$0.49	\$0.05	\$0.47	\$0.59	\$1.05	\$0.45	\$2.26	\$0.06	\$0.05	\$0.56	<b>\$6.45</b>
Briar Forest/West M...	\$0.42	\$0.71	\$0.28	\$0.50	\$0.64	\$0.82	\$0.46	\$2.43	\$0.08	\$0.35	\$0.65	<b>\$7.34</b>
Brookhollow/Inwood	\$0.31	\$0.87	\$0.55	\$0.60	\$0.87	\$0.80	\$0.42	\$0.84	\$0.06	\$0.15	\$0.50	<b>\$5.97</b>
Cinco Ranch	\$0.48	\$0.72	\$0.35	\$0.44	\$0.64	\$0.94	\$0.42	\$2.75	\$0.21	\$0.33	\$0.87	<b>\$8.15</b>
Downtown Houston	\$0.42	\$0.71	\$0.09	\$0.31	\$0.79	\$0.97	\$0.49	\$3.59	\$0.11	\$0.30	\$0.87	<b>\$8.65</b>
East End Houston	\$0.39	\$0.63	\$0.09	\$0.30	\$0.76	\$0.89	\$0.45	\$2.67	\$0.09	\$0.26	\$0.76	<b>\$7.29</b>
Galleria/Uptown	\$0.48	\$0.75	\$0.60	\$0.34	\$0.55	\$0.84	\$0.38	\$2.83	\$0.10	\$0.16	\$0.95	<b>\$7.98</b>
Greenspoint/IAH Air...	\$0.29	\$0.72	\$0.41	\$0.40	\$0.80	\$0.73	\$0.51	\$1.29	\$0.06	\$0.07	\$0.65	<b>\$5.93</b>
Heights	\$0.54	\$0.83	\$0.39	\$0.42	\$0.63	\$1.24	\$0.55	\$3.20	\$0.34	\$0.30	\$1.03	<b>\$9.47</b>
Lake Houston Area	\$0.35	\$0.86	\$0.60	\$0.38	\$0.71	\$0.70	\$0.54	\$1.67	\$0.06	\$0.09	\$0.71	<b>\$6.67</b>
Liberty County	\$0.32	\$0.72	\$0.53	\$0.44	\$0.71	\$0.71	\$0.47	\$1.30	\$0.05	\$0.08	\$0.66	<b>\$5.99</b>
Medical Center/Wes...	\$0.47	\$0.78	\$0.17	\$0.44	\$0.77	\$1.19	\$0.47	\$3.09	\$0.15	\$0.21	\$0.92	<b>\$8.66</b>
Neartown/River Oaks	\$0.57	\$0.72	\$0.27	\$0.41	\$0.73	\$1.25	\$0.47	\$3.54	\$0.22	\$0.46	\$1.17	<b>\$9.81</b>
North Galveston Co...	\$0.52	\$0.55	\$0.08	\$0.35	\$0.58	\$0.80	\$0.71	\$1.36	\$0.04	\$0.13	\$0.55	<b>\$5.67</b>
Northeast Houston	\$0.54	\$0.93	\$0.49	\$0.42	\$0.65	\$1.18	\$0.63	\$3.36	\$0.19	\$0.31	\$1.22	<b>\$9.92</b>
Northwest Houston	\$0.35	\$0.55	\$0.22	\$0.45	\$0.61	\$0.88	\$0.46	\$1.98	\$0.08	\$0.42	\$0.62	<b>\$6.62</b>
Outlying Montgomer...	\$0.34	\$0.47	\$0.10	\$0.42	\$0.52	\$0.90	\$0.40	\$1.89	\$0.07	\$0.48	\$0.56	<b>\$6.15</b>
Pearland	\$0.35	\$0.45	\$0.06	\$0.45	\$0.60	\$0.92	\$0.39	\$1.82	\$0.05	\$0.12	\$0.42	<b>\$5.63</b>
Richmond/Rosenberg	\$0.45	\$0.63	\$0.49	\$0.43	\$0.68	\$0.93	\$0.39	\$1.90	\$0.08	\$0.12	\$0.99	<b>\$7.09</b>
South Brazoria Cou...	\$0.38	\$0.88	\$0.44	\$0.47	\$1.12	\$0.96	\$0.64	\$1.47	\$0.09	\$0.16	\$0.56	<b>\$7.17</b>
South Central Houst...	\$0.43	\$0.83	\$0.28	\$0.37	\$0.75	\$0.98	\$0.54	\$3.11	\$0.12	\$0.27	\$0.89	<b>\$8.57</b>
South Galveston Co...	\$0.37	\$0.75	\$0.40	\$0.45	\$0.66	\$0.79	\$0.55	\$1.25	\$0.05	\$0.13	\$0.55	<b>\$5.95</b>
Southeast Houston	\$0.35	\$1.01	\$0.64	\$0.49	\$0.72	\$0.81	\$0.56	\$1.25	\$0.05	\$0.08	\$0.57	<b>\$6.53</b>
Southeast Montgom...	\$0.34	\$0.98	\$0.42	\$0.54	\$0.99	\$0.81	\$0.48	\$1.09	\$0.06	\$0.10	\$0.81	<b>\$6.62</b>
Southwest Houston	\$0.41	\$0.46	\$0.40	\$0.48	\$0.95	\$1.11	\$0.42	\$1.69	\$0.12	\$0.15	\$0.96	<b>\$7.15</b>
Spring Branch	\$0.36	\$0.68	\$0.53	\$0.50	\$0.70	\$0.76	\$0.56	\$1.88	\$0.10	\$0.21	\$0.54	<b>\$6.82</b>
Sugar Land/Missour...	\$0.47	\$0.91	\$0.64	\$0.42	\$0.57	\$0.75	\$0.49	\$2.11	\$0.04	\$0.14	\$0.99	<b>\$7.53</b>
The Woodlands	\$0.37	\$0.52	\$0.30	\$0.29	\$0.30	\$1.03	\$0.22	\$1.96	\$0.08	\$0.56	\$0.56	<b>\$6.19</b>
Waller County	\$0.37	\$0.47	\$0.10	\$0.44	\$0.53	\$0.96	\$0.40	\$2.08	\$0.08	\$0.57	\$0.56	<b>\$6.56</b>
Westchase/Woodlake	\$0.53	\$0.76	\$0.29	\$0.44	\$0.62	\$1.24	\$0.45	\$3.05	\$0.59	\$0.33	\$0.83	<b>\$9.13</b>

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

### 3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
<b>Houston</b>	\$0.36	\$0.65	\$0.36	\$0.41	\$0.64	\$0.79	\$0.45	\$1.38	\$0.06	\$0.14	\$0.63	<b>\$5.87</b>
Alief	\$0.34	\$0.92	\$0.85	\$0.77	\$1.13	\$1.02	\$0.53	\$0.68	\$0.09	\$0.38	\$0.67	<b>\$7.38</b>
Austin County	\$0.38	\$0.80	\$0.47	\$0.42	\$0.63	\$0.85	\$0.35	\$1.42	\$0.09	\$0.22	\$0.73	<b>\$6.36</b>
Baytown	\$0.36	\$0.64	\$0.40	\$0.44	\$0.65	\$0.74	\$0.54	\$0.91	\$0.05	\$0.07	\$0.53	<b>\$5.33</b>
Bear Creek/Copperf...	\$0.22	\$0.46	\$0.05	\$0.47	\$0.58	\$0.86	\$0.42	\$1.20	\$0.05	\$0.04	\$0.53	<b>\$4.88</b>
Briar Forest/West M...	\$0.29	\$0.65	\$0.31	\$0.47	\$0.60	\$0.71	\$0.43	\$1.70	\$0.06	\$0.24	\$0.59	<b>\$6.05</b>
Brookhollow/Inwood	\$0.29	\$0.90	\$0.57	\$0.57	\$0.83	\$0.74	\$0.41	\$0.58	\$0.06	\$0.13	\$0.55	<b>\$5.63</b>
Chambers County	\$0.36	\$0.67	\$0.42	\$0.44	\$0.66	\$0.77	\$0.56	\$0.89	\$0.05	\$0.07	\$0.53	<b>\$5.42</b>
Cinco Ranch	\$0.43	\$0.72	\$0.33	\$0.43	\$0.62	\$0.91	\$0.41	\$2.55	\$0.19	\$0.30	\$0.79	<b>\$7.68</b>
Downtown Houston	\$0.36	\$0.69	\$0.09	\$0.30	\$0.74	\$0.84	\$0.48	\$2.07	\$0.08	\$0.21	\$0.81	<b>\$6.67</b>
East End Houston	\$0.33	\$0.64	\$0.09	\$0.30	\$0.72	\$0.79	\$0.46	\$1.45	\$0.07	\$0.18	\$0.75	<b>\$5.78</b>
Galleria/Uptown	\$0.27	\$0.66	\$0.46	\$0.34	\$0.55	\$0.67	\$0.40	\$1.52	\$0.10	\$0.17	\$0.59	<b>\$5.73</b>
Greenspoint/IAH Air...	\$0.32	\$0.67	\$0.47	\$0.43	\$0.71	\$0.71	\$0.46	\$1.23	\$0.05	\$0.09	\$0.64	<b>\$5.78</b>
Heights	\$0.53	\$0.80	\$0.36	\$0.41	\$0.58	\$1.07	\$0.53	\$2.51	\$0.06	\$0.17	\$0.43	<b>\$7.45</b>
Lake Houston Area	\$0.33	\$0.72	\$0.52	\$0.40	\$0.67	\$0.69	\$0.48	\$1.32	\$0.05	\$0.09	\$0.66	<b>\$5.93</b>
Liberty County	\$0.32	\$0.67	\$0.48	\$0.43	\$0.71	\$0.71	\$0.45	\$1.21	\$0.05	\$0.08	\$0.64	<b>\$5.75</b>
Medical Center/Wes...	\$0.43	\$0.67	\$0.19	\$0.41	\$0.71	\$0.93	\$0.46	\$2.40	\$0.08	\$0.17	\$0.65	<b>\$7.10</b>
Neartown/River Oaks	\$0.55	\$0.67	\$0.25	\$0.40	\$0.62	\$1.16	\$0.46	\$2.64	\$0.09	\$0.24	\$0.57	<b>\$7.65</b>
North Galveston Co...	\$0.48	\$0.53	\$0.08	\$0.31	\$0.54	\$0.58	\$0.69	\$1.11	\$0.04	\$0.07	\$0.53	<b>\$4.96</b>
Northeast Houston	\$0.39	\$0.75	\$0.21	\$0.33	\$0.67	\$0.84	\$0.51	\$1.72	\$0.07	\$0.16	\$0.66	<b>\$6.31</b>
Northwest Houston	\$0.28	\$0.57	\$0.24	\$0.40	\$0.60	\$0.76	\$0.43	\$1.44	\$0.07	\$0.25	\$0.60	<b>\$5.64</b>
Outlying Montgomer...	\$0.22	\$0.45	\$0.11	\$0.36	\$0.51	\$0.68	\$0.37	\$1.08	\$0.05	\$0.13	\$0.55	<b>\$4.51</b>
Pearland	\$0.34	\$0.45	\$0.06	\$0.44	\$0.60	\$0.89	\$0.39	\$1.64	\$0.05	\$0.11	\$0.41	<b>\$5.38</b>
Richmond/Rosenberg	\$0.34	\$0.59	\$0.46	\$0.37	\$0.61	\$0.85	\$0.37	\$1.10	\$0.07	\$0.12	\$0.93	<b>\$5.81</b>
South Brazoria Cou...	\$0.30	\$0.77	\$0.41	\$0.45	\$1.04	\$0.90	\$0.60	\$0.86	\$0.09	\$0.08	\$0.54	<b>\$6.04</b>
South Central Houst...	\$0.35	\$0.71	\$0.16	\$0.32	\$0.71	\$0.81	\$0.49	\$1.61	\$0.07	\$0.17	\$0.73	<b>\$6.13</b>
South Galveston Co...	\$0.35	\$0.61	\$0.38	\$0.43	\$0.64	\$0.71	\$0.51	\$0.90	\$0.05	\$0.07	\$0.53	<b>\$5.18</b>
Southeast Houston	\$0.34	\$0.70	\$0.59	\$0.47	\$0.69	\$0.75	\$0.49	\$0.82	\$0.05	\$0.03	\$0.36	<b>\$5.29</b>
Southeast Montgom...	\$0.34	\$0.89	\$0.42	\$0.52	\$0.90	\$0.80	\$0.48	\$1.09	\$0.05	\$0.10	\$0.80	<b>\$6.39</b>
Southwest Houston	\$0.32	\$0.43	\$0.37	\$0.47	\$0.73	\$0.72	\$0.40	\$1.07	\$0.08	\$0.14	\$0.83	<b>\$5.56</b>
Spring Branch	\$0.31	\$0.30	\$0.51	\$0.54	\$0.75	\$0.56	\$0.27	\$1.06	\$0.10	\$0.24	\$0.71	<b>\$5.35</b>
Sugar Land/Missour...	\$0.38	\$0.85	\$0.58	\$0.32	\$0.44	\$0.79	\$0.43	\$1.48	\$0.04	\$0.12	\$0.96	<b>\$6.39</b>
The Woodlands	\$0.27	\$0.38	\$0.26	\$0.21	\$0.25	\$0.74	\$0.15	\$1.38	\$0.04	\$0.32	\$0.55	<b>\$4.55</b>
Waller County	\$0.25	\$0.45	\$0.10	\$0.38	\$0.51	\$0.74	\$0.39	\$1.32	\$0.06	\$0.22	\$0.55	<b>\$4.97</b>
Westchase/Woodlake	\$0.23	\$0.65	\$0.26	\$0.43	\$0.60	\$0.72	\$0.43	\$1.09	\$0.11	\$0.17	\$0.57	<b>\$5.26</b>

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

### 1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
<b>Houston</b>	\$0.32	\$0.44	\$0.25	\$0.37	\$0.60	\$0.64	\$0.36	\$0.86	\$0.05	\$0.10	\$0.51	<b>\$4.50</b>
Alief	\$0.27	\$0.63	\$0.57	\$0.58	\$0.83	\$0.73	\$0.37	\$0.61	\$0.07	\$0.27	\$0.60	<b>\$5.53</b>
Austin County	\$0.34	\$0.65	\$0.45	\$0.40	\$0.60	\$0.83	\$0.28	\$0.98	\$0.08	\$0.21	\$0.67	<b>\$5.49</b>
Baytown	\$0.34	\$0.35	\$0.25	\$0.38	\$0.54	\$0.48	\$0.36	\$0.73	\$0.04	\$0.06	\$0.51	<b>\$4.04</b>
Bear Creek/Copperf...	\$0.19	\$0.42	\$0.04	\$0.36	\$0.50	\$0.67	\$0.30	\$0.78	\$0.05	\$0.04	\$0.51	<b>\$3.86</b>
Briar Forest/West M...	\$0.27	\$0.43	\$0.35	\$0.39	\$0.53	\$0.59	\$0.32	\$1.14	\$0.05	\$0.25	\$0.42	<b>\$4.74</b>
Brookhollow/Inwood	\$0.29	\$0.79	\$0.49	\$0.54	\$0.80	\$0.72	\$0.38	\$0.55	\$0.05	\$0.06	\$0.42	<b>\$5.09</b>
Chambers County	\$0.35	\$0.49	\$0.33	\$0.41	\$0.60	\$0.61	\$0.45	\$0.80	\$0.05	\$0.06	\$0.52	<b>\$4.67</b>
Cinco Ranch	\$0.26	\$0.67	\$0.25	\$0.42	\$0.61	\$0.86	\$0.35	\$1.68	\$0.07	\$0.21	\$0.49	<b>\$5.87</b>
Downtown Houston	\$0.32	\$0.56	\$0.08	\$0.29	\$0.71	\$0.76	\$0.42	\$1.06	\$0.06	\$0.16	\$0.66	<b>\$5.08</b>
East End Houston	\$0.32	\$0.46	\$0.08	\$0.28	\$0.70	\$0.74	\$0.37	\$0.85	\$0.05	\$0.16	\$0.56	<b>\$4.57</b>
Galleria/Uptown	\$0.23	\$0.64	\$0.29	\$0.31	\$0.51	\$0.63	\$0.37	\$1.07	\$0.04	\$0.14	\$0.43	<b>\$4.66</b>
Greenspoint/IAH Air...	\$0.32	\$0.53	\$0.36	\$0.42	\$0.71	\$0.69	\$0.39	\$0.95	\$0.05	\$0.09	\$0.58	<b>\$5.09</b>
Heights	\$0.43	\$0.34	\$0.28	\$0.37	\$0.55	\$1.01	\$0.45	\$1.11	\$0.03	\$0.06	\$0.41	<b>\$5.04</b>
Lake Houston Area	\$0.32	\$0.52	\$0.36	\$0.39	\$0.65	\$0.66	\$0.38	\$0.93	\$0.05	\$0.09	\$0.58	<b>\$4.93</b>
Liberty County	\$0.32	\$0.45	\$0.31	\$0.41	\$0.70	\$0.68	\$0.36	\$0.82	\$0.05	\$0.08	\$0.54	<b>\$4.72</b>
Medical Center/Wes...	\$0.33	\$0.34	\$0.05	\$0.39	\$0.64	\$0.56	\$0.40	\$1.07	\$0.04	\$0.09	\$0.44	<b>\$4.35</b>
Neartown/River Oaks	\$0.46	\$0.46	\$0.27	\$0.37	\$0.58	\$1.07	\$0.41	\$1.40	\$0.03	\$0.10	\$0.41	<b>\$5.56</b>
North Galveston Co...	\$0.34	\$0.32	\$0.07	\$0.29	\$0.53	\$0.45	\$0.34	\$0.72	\$0.03	\$0.06	\$0.50	<b>\$3.65</b>
Northeast Houston	\$0.35	\$0.44	\$0.14	\$0.31	\$0.67	\$0.78	\$0.40	\$0.91	\$0.04	\$0.14	\$0.52	<b>\$4.70</b>
Northwest Houston	\$0.24	\$0.45	\$0.26	\$0.34	\$0.58	\$0.65	\$0.39	\$0.89	\$0.05	\$0.07	\$0.56	<b>\$4.48</b>
Outlying Montgomer...	\$0.18	\$0.41	\$0.09	\$0.31	\$0.46	\$0.58	\$0.26	\$0.66	\$0.04	\$0.04	\$0.51	<b>\$3.54</b>
Pearland	\$0.33	\$0.39	\$0.06	\$0.41	\$0.56	\$0.67	\$0.37	\$1.07	\$0.05	\$0.08	\$0.40	<b>\$4.39</b>
Richmond/Rosenberg	\$0.29	\$0.49	\$0.41	\$0.41	\$0.70	\$0.73	\$0.32	\$0.74	\$0.08	\$0.12	\$0.81	<b>\$5.10</b>
South Brazoria Cou...	\$0.27	\$0.39	\$0.26	\$0.39	\$0.61	\$0.52	\$0.38	\$0.72	\$0.07	\$0.06	\$0.51	<b>\$4.18</b>
South Central Houst...	\$0.32	\$0.45	\$0.09	\$0.29	\$0.69	\$0.74	\$0.37	\$0.83	\$0.05	\$0.15	\$0.54	<b>\$4.52</b>
South Galveston Co...	\$0.34	\$0.35	\$0.25	\$0.38	\$0.54	\$0.48	\$0.36	\$0.73	\$0.04	\$0.06	\$0.51	<b>\$4.04</b>
Southeast Houston	\$0.34	\$0.36	\$0.27	\$0.38	\$0.54	\$0.48	\$0.36	\$0.74	\$0.05	\$0.03	\$0.35	<b>\$3.90</b>
Southeast Montgom...	\$0.32	\$0.72	\$0.41	\$0.48	\$0.71	\$0.78	\$0.47	\$1.07	\$0.05	\$0.10	\$0.78	<b>\$5.89</b>
Southwest Houston	\$0.25	\$0.36	\$0.30	\$0.44	\$0.62	\$0.53	\$0.28	\$0.74	\$0.05	\$0.14	\$0.61	<b>\$4.32</b>
Spring Branch	\$0.27	\$0.24	\$0.52	\$0.53	\$0.75	\$0.44	\$0.22	\$0.58	\$0.07	\$0.12	\$0.44	<b>\$4.18</b>
Sugar Land/Missour...	\$0.26	\$0.61	\$0.45	\$0.27	\$0.38	\$0.65	\$0.32	\$0.78	\$0.04	\$0.12	\$0.75	<b>\$4.63</b>
The Woodlands	\$0.16	\$0.20	\$0.37	\$0.11	\$0.19	\$0.40	\$0.08	\$0.69	\$0	\$0.04	\$0.54	<b>\$2.78</b>
Waller County	\$0.20	\$0.44	\$0.12	\$0.32	\$0.49	\$0.63	\$0.25	\$0.67	\$0.04	\$0.08	\$0.49	<b>\$3.73</b>
Westchase/Woodlake	\$0.19	\$0.58	\$0.21	\$0.42	\$0.58	\$0.63	\$0.37	\$0.76	\$0.05	\$0.15	\$0.45	<b>\$4.39</b>

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Local lenders report that debt availability has improved compared with 2023–2024 conditions. Banks that sharply pulled back from construction lending, particularly regional and super-regional institutions, are gradually re-entering the market. Leverage is also loosening, with typical LTC ratios moving from the 50%–55% range toward 60%–65% on stronger projects. Still, lenders continue to demand meaningful borrower equity, and capital stacks rely heavily on sizable upfront commitments.

Starts in 2025 were roughly 10% higher than in 2024, though Houston's apartment pipeline remains thin by historical standards. Only 12,000 units are underway, mostly 4 & 5 Star projects, marking the smallest pipeline since 2017. Local lenders note that securing multifamily equity remains one of the biggest obstacles, keeping many developers sidelined amid elevated capital costs, tighter lending requirements, and ongoing uncertainty around construction material pricing.

Still, some developers have stepped back into the market, potentially aiming to get ahead of the next cycle. With new supply projected to reach an eight-year low in 2026 and a 13-year low by 2027, some are positioning early in anticipation of improving fundamentals and a more favorable development environment.

Houston's current construction pipeline is concentrated in two primary areas: mid- and high-rise projects in the densifying urban core, and suburban garden-style and single-family rental communities serving fast-growing affluent suburbs. Suburbs to the northwest and southwest—such as Bear Creek/Copperfield, Northwest

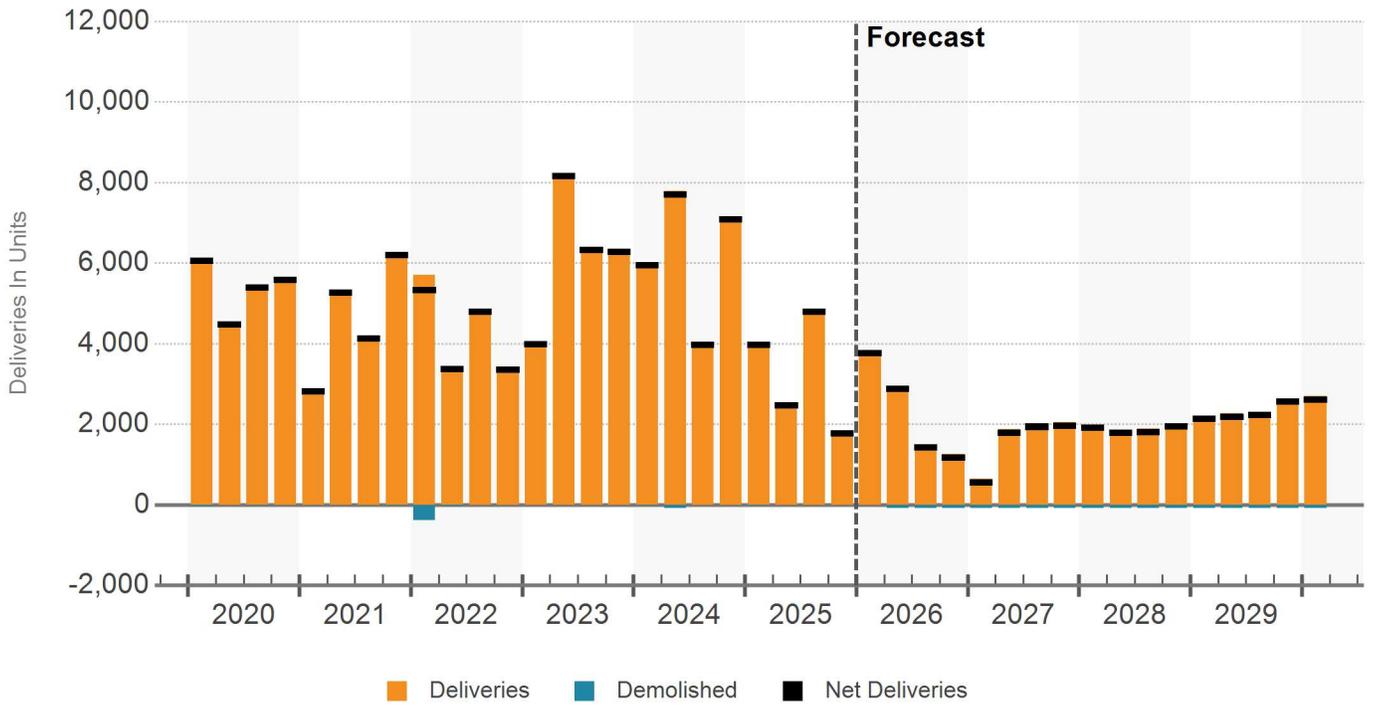
Houston, and Sugar Land/Missouri City—continue to attract a significant share of suburban development. One recent example is Trammel Crow's 260-unit Alexan Lake Olympia, which opened in January in Missouri City.

Single-family build-to-rent (BTR) development remains especially active. Inventory in this segment has more than doubled since 2023, driven by high mortgage rates, rising home prices, and limited for-sale inventory, pushing more households into rentals. Since 2019, luxury apartment rents have risen roughly 11%, while the median monthly mortgage payment has climbed more than 70%. Because BTR communities require large land parcels, they tend to locate in low-density areas. In Humble, ORR Commercial is constructing the 162-unit Ellery Lane.

Supply-side risks are more pronounced in urban core submarkets such as Neartown/River Oaks and The Heights, where proximity to job centers and walkable retail corridors continue to attract high-density development. Projects here are typically mid- or high-rise due to limited available land. One of the most notable developments is The RO (River Oaks), a major mixed-use project rising on Exxon Mobil's former research campus at Buffalo Speedway and West Alabama. In addition to its 37-story residential tower, the master plan includes office, retail, and a hotel-condominium tower.

Looking ahead, the slowdown in new supply is expected to relieve upward pressure on vacancy and help support rent stabilization by late 2026 or early 2027.

## DELIVERIES & DEMOLITIONS





# Under Construction Properties

Houston Multi-Family

## UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 <b>Allora Med Center</b> 10191 Main St	★ ★ ★ ★ ★	366	3	Jun 2025	Mar 2026	- Crow Holdings
9 <b>Boardwalk Square</b> 125 Prairie Pky	★ ★ ★ ★ ★	353	4	Mar 2024	Mar 2026 (Estimated)	Sueba USA Corporation Sueba USA Corporation
10 <b>Ascend at the Parkway</b> 3615 Texas Heritage Pky	★ ★ ★ ★ ★	343	3	May 2025	Mar 2026 (Estimated)	DHI Communities D.R. Horton
11 <b>Groves Apartments</b> 15910 Woodland Hills Dr	★ ★ ★ ★ ★	340	3	Dec 2025	Nov 2026 (Estimated)	- fein
12 <b>16200 State Highway 3</b>	★ ★ ★ ★ ★	336	4	Nov 2025	Sep 2027 (Estimated)	OHT Partners -
13 <b>Montrose Houston</b> 3300 Montrose Blvd	★ ★ ★ ★ ★	330	7	Sep 2025	Sep 2027 (Estimated)	Southeastern Development Associati Southeastern Development Associati
14 <b>Asher at Spring Cypress</b> 10300 Spring Cypress Rd	★ ★ ★ ★ ★	330	4	Oct 2025	Apr 2026	Caldwell Companies -
15 <b>Rasha at Audubon</b> 39899 Mill Creek Rd	★ ★ ★ ★ ★	326	3	Feb 2025	Apr 2026 (Estimated)	XAG Properties XAG Properties
16 <b>Echo Lake at Springwoods</b> 2002 Spring Stuebner Rd	★ ★ ★ ★ ★	326	4	Jun 2025	Feb 2027 (Estimated)	Westchase Construction fein
17 <b>The Clayton</b> 3120 Buffalo Speedway	★ ★ ★ ★ ★	317	37	Jun 2024	Sep 2027 (Estimated)	Transwestern Development Compan Transwestern Development Compan
18 <b>Prose Highland</b> 3740 Barker Cypress Rd	★ ★ ★ ★ ★	314	3	Mar 2025	Mar 2026 (Estimated)	- The Carlyle Group
19 <b>Hudson Crossing</b> 23933 Kingsland Blvd	★ ★ ★ ★ ★	298	4	Feb 2025	Oct 2026 (Estimated)	Rockefeller Group Rockefeller Group
20 <b>The Clayton</b> 17935 Hunters Terrace Dr	★ ★ ★ ★ ★	288	3	Oct 2025	Nov 2026 (Estimated)	BHW BHW
21 <b>The Cottage Green Tomball</b> 13910 Brown Rd	★ ★ ★ ★ ★	285	1	Oct 2025	Apr 2027 (Estimated)	- -
22 <b>Territory at Missouri City</b> 9929 Highway 6	★ ★ ★ ★ ★	280	3	Jan 2026	Jan 2027 (Estimated)	- Larry B Briggs
23 <b>Lehman Heights</b> 717 Lehman St	★ ★ ★ ★ ★	266	4	Jan 2024	Apr 2026	Hudon, Inc Hudon, Inc
24 <b>YardHomes Spring West</b> 2950 FM 2920 Rd	★ ★ ★ ★ ★	261	2	Jan 2025	Apr 2026	Urban Moment -
25 <b>Fidelis Willis</b> 807 W Montgomery St	★ ★ ★ ★ ★	252	3	Dec 2024	Oct 2026 (Estimated)	Peakline Real Estate Funds, LLC Fidelis Realty Partners
26 <b>Hanover Tanglewood</b> 1025 S Post Oak Ln	★ ★ ★ ★ ★	241	18	May 2025	May 2027 (Estimated)	Hanover Company -
27 <b>The Woodlofts</b> 201 David Vetter Blvd	★ ★ ★ ★ ★	229	6	Oct 2025	Sep 2026 (Estimated)	Buckhead Investment Partners Lodgic Hospitality
28 <b>Clock Tower Residences</b> 622 W 23rd St	★ ★ ★ ★ ★	214	7	Aug 2025	Apr 2027 (Estimated)	Radom Capital LLC Radom Capital LLC

Houston's multifamily investment market gained further momentum in 2025, extending the recovery that began in the second half of 2024. Although quarterly dollar volume has remained uneven, skewed at times by sporadic large trades that obscure broader trends, transaction count has provided a clearer view of strengthening activity. Deal flow typically pulls back in the first quarter as brokers rush to close transactions before year-end. 25Q4 registered a four-year high in total trades, reinforcing the market's upward trajectory.

Brokers report that bid-ask spreads have narrowed meaningfully in recent quarters. At the same time, lenders note that debt capital is widely available, with spreads beginning to compress and leverage gradually increasing. The GSEs remain the most active lenders, but debt funds continue to grow their presence, and banks no longer set market pricing. Life insurance companies are also active, particularly on higher-quality assets.

Private and family investors continue to anchor the buyer pool, yet institutional capital is clearly reemerging. Institutional investors represented nearly one-third of buyer activity in 2025, up from 25% in 2024 and approaching the 35% share typical between 2015 and 2019.

Notably, roughly 85% of assets sold in 2025 were rated 3 Star or lower, higher than both the 2024 share of 79% and the 2015–2019 average of 81%, reflecting strong investor interest in value-add opportunities. Brokers attribute this increased interest to Houston's strong population growth, an increasingly diversified regional economy, robust demand for workforce housing, limited new supply in that segment, and comparatively stable cash flows. These fundamentals support renovation-driven return strategies, particularly for vintage assets.

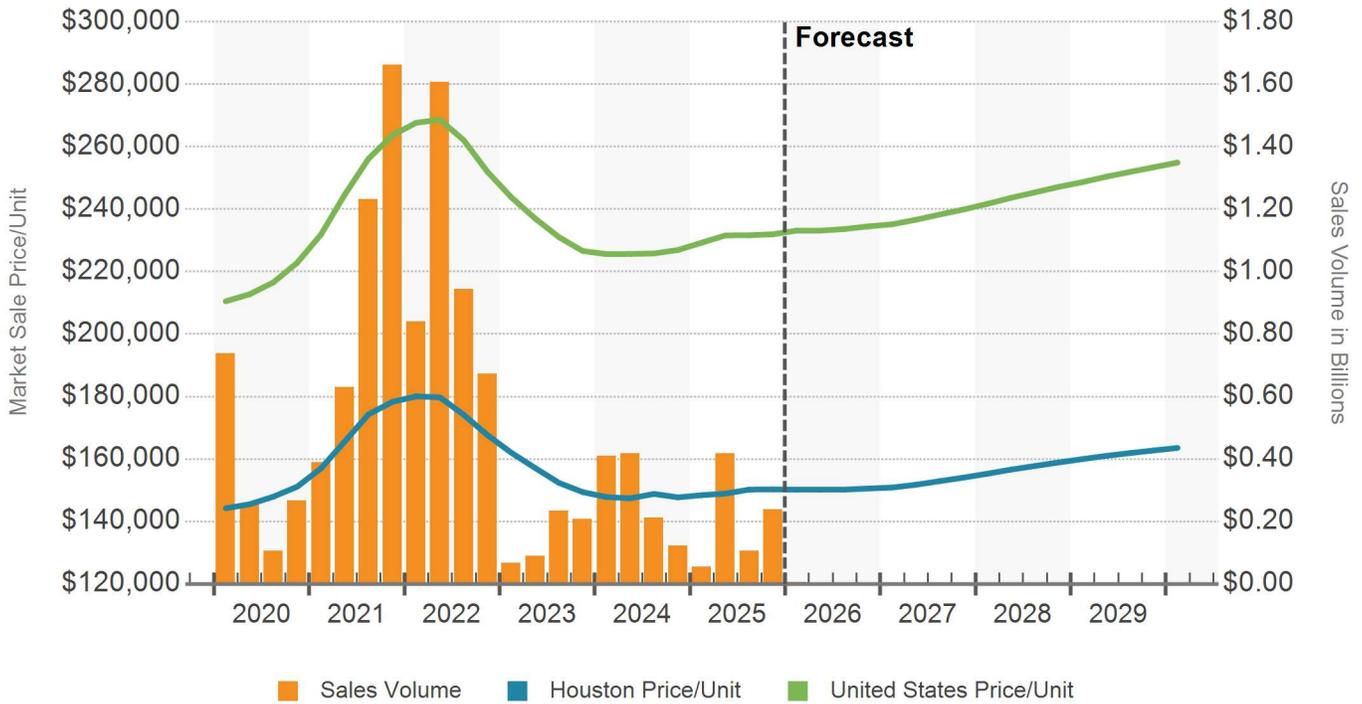
December saw several institutional acquisitions, many targeting older but well-leased communities, including ZG Cos.' acquisition of the 306-unit Fox Hall Apartments, a 1969-built, 94%-leased garden-style community located near Interstates 10 and 610. GWR Equities purchased the 252-unit Sage Hollow, built in 1980 and 93% leased, positioned near Interstate 45 and the Sam Houston Tollway.

Debt-assumption deals also remain prevalent, as the 10-year Treasury yield stayed elevated despite Federal Reserve cuts. For example, Palatine Capital Partners acquired the 309-unit Villages at Parktown in Deer Park, a 1969-built, 94%-leased community, by assuming \$29 million of existing debt. Collectively, these trades underscore sustained appetite for well-positioned multifamily assets across the region.

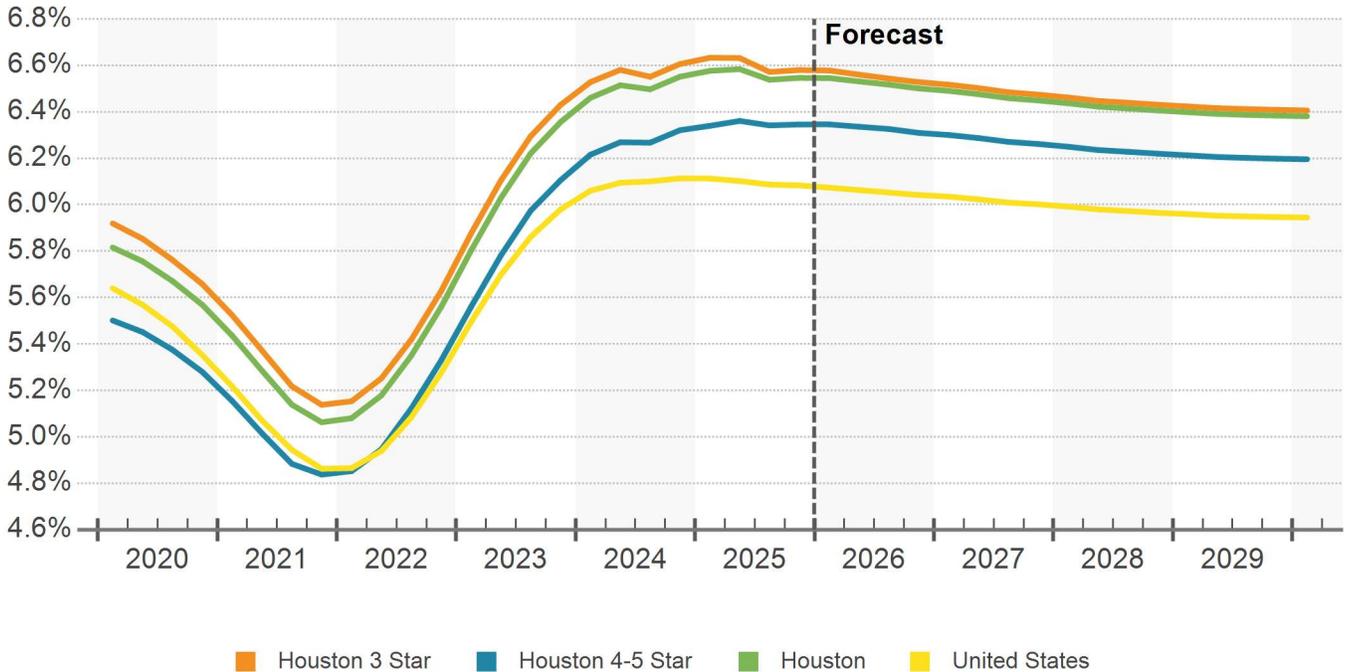
Cap rates for larger 4 & 5 Star properties now generally fall in the high-4% to mid-5% range, compared with the 3% to 3.5% levels seen a few years ago. Last September, Greybrook Capital acquired the 246-unit, 4 Star Terra at Piney Point at a 5.4% cap rate; the 1994-built, garden-style property had been renovated in 2014 and was 95% leased at sale. Brokers note early signs of cap-rate compression, with select premier-location assets trading in the low-4% range. Meanwhile, 3 Star communities are typically pricing in the 5.5% to low-6% range, while 1 & 2 Star properties are pushing above 6% to compensate for higher risk.

Looking ahead, pricing is expected to remain stable in the near term, with a limited likelihood of sharp fluctuations. Rising liquidity, stronger financing availability, and elevated transaction activity all provide support, though a recent slowdown in net absorption introduces modest downward pressure. Overall, steady investor demand and resilient fundamentals position the Houston multifamily market for gradual growth as the recovery continues.

### SALES VOLUME & MARKET SALE PRICE PER UNIT



### MARKET CAP RATE



# Sales Past 12 Months

## Houston Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

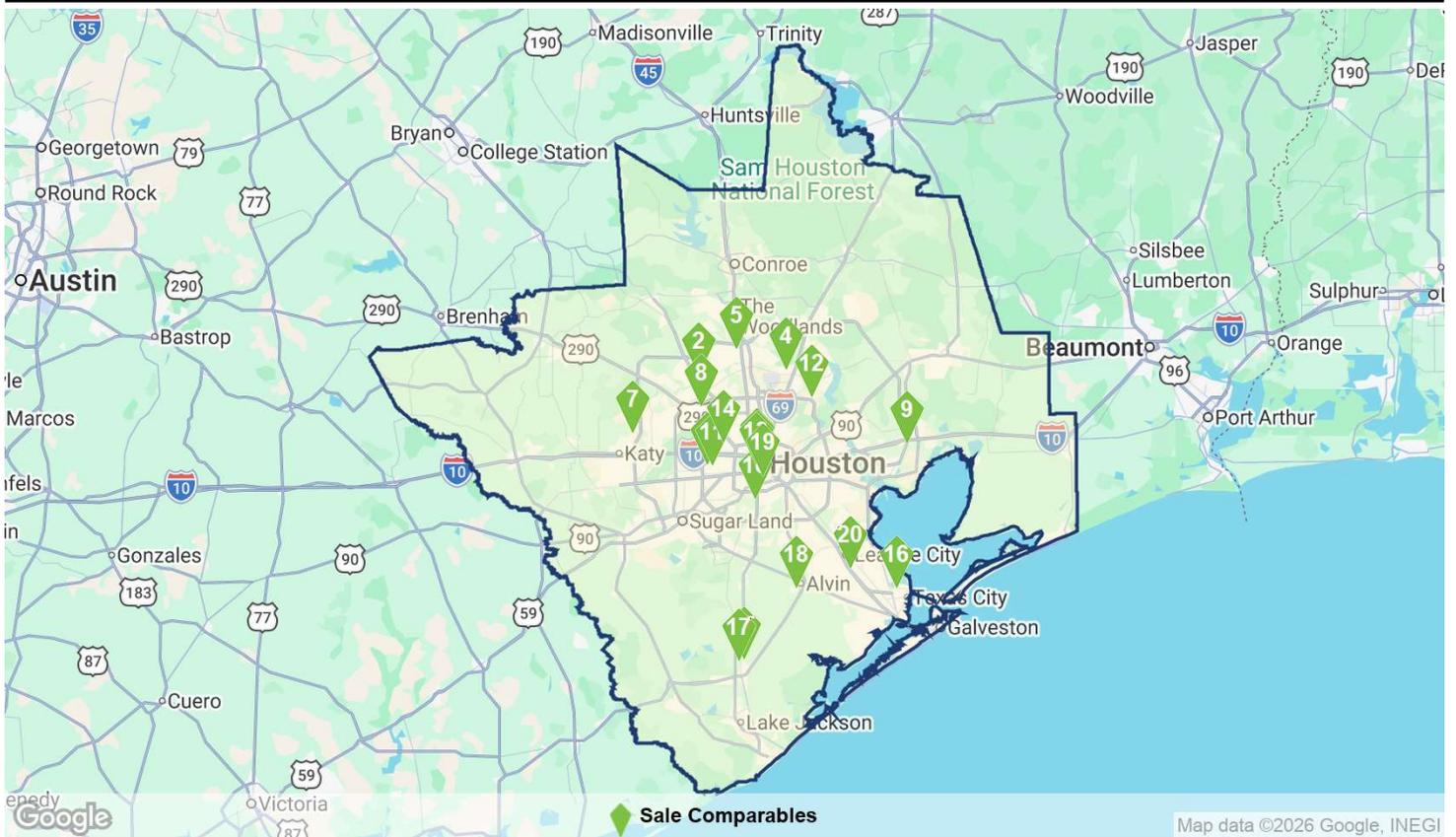
**311**

**\$150**

**\$20.8**

**14.1%**

### SALE COMPARABLE LOCATIONS



### SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$375,000	\$20,829,769	\$3,900,000	\$124,000,000
Price/Unit	\$13,265	\$149,799	\$130,000	\$245,000
Cap Rate	5.0%	7.9%	7.2%	12.0%
Vacancy Rate At Sale	0%	14.1%	10.0%	100%
Time Since Sale in Months	0.5	5.5	5.3	11.9
Property Attributes	Low	Average	Median	High
Property Size in Units	5	161	120	812
Number of Floors	1	2	2	22
Average Unit SF	25	837	857	1,895
Year Built	1901	1984	1981	2027
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.9	★ ★ ★ ★ ★	★ ★ ★ ★ ★

# Sales Past 12 Months

Houston Multi-Family

## RECENT SIGNIFICANT SALES

Property Name/Address	Property Information				Sale Information				
	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF	
1 Marquis Enclave 301 St Joseph Pky	★★★★★	2007	647	6.8%	11/13/2025	\$124,000,000	\$191,653	\$192	
2 Forayna Vintage Park Apartm... 14818 Vintage Preserve Park...	★★★★★	2023	350	11.7%	5/14/2025	\$77,907,821	\$222,593	\$182	
3 Pearl Woodlake 2033 S Gessner Rd	★★★★★	2015	376	6.4%	4/14/2025	\$67,731,000	\$180,135	\$132	
4 Willowbend Apartment Homes 9393 FM 1960 Bypass Rd W	★★★★★	2016	456	11.0%	5/22/2025	\$63,310,000	\$138,837	\$150	
5 Botanic Luxury Living 20525 Holzwarth Rd	★★★★★	2023	288	21.2%	5/14/2025	\$63,092,179	\$219,070	\$187	
6 Hadley Midtown 2303 Louisiana St	★★★★★	1999	337	13.4%	6/11/2025	\$60,000,000	\$178,041	\$133	
7 Reserve at Ventana Lakes 23100 Clay Rd	★★★★★	2024	303	18.8%	9/29/2025	\$51,150,000	\$168,811	\$131	
8 Discovery at West Road 9404 West Rd	★★★★★	2005	280	10.0%	10/23/2025	\$44,000,000	\$157,142	\$142	
9 Vista at Southwinds 1900 Kilgore Pky	★★★★★	2020	265	5.3%	3/26/2025	\$41,400,000	\$156,226	\$156	
10 The Oaks at Grand West 10415 Lancaster Forest Lane	★★★★★	2024	147	18.4%	12/23/2025	\$36,015,000	\$245,000	\$129	
11 Terra at Piney Point 8787 Woodway Dr	★★★★★	1994	246	8.5%	9/17/2025	\$35,600,000	\$144,715	\$156	
12 Ten Pines at Summerwood 14700 Woodson Park Dr	★★★★★	2013	240	5.8%	4/28/2025	\$31,200,000	\$130,000	\$142	
13 The Hopkins 3101 Smith St	★★★★★	2013	154	6.5%	4/30/2025	\$27,400,000	\$177,922	\$197	
14 La Serena 1855 Wirt Rd	★★★★★	1969	324	44.8%	6/20/2025	\$21,500,000	\$66,358	\$68	
15 Summer House Apartments 4 Stadium Dr	★★★★★	2014	120	8.3%	12/19/2025	\$16,132,135	\$134,434	\$101	
16 Parkwood Apartments 1403 N 25th St	★★★★★	1977	128	2.3%	11/25/2025	\$8,600,000	\$67,187	\$89	
17 Country Lane Apartments 300 W Henderson Rd	★★★★★	2005	80	2.5%	12/19/2025	\$7,692,865	\$96,160	\$95	
18 Highland Square 2401 S Johnson St	★★★★★	1973	104	1.0%	4/24/2025	\$5,900,000	\$56,730	\$72	
19 3643 N MacGregor Way	★★★★★	1957	40	15.0%	9/22/2025	\$4,500,000	\$112,500	\$140	
20 Creekside Apartments 406 Deats Rd	★★★★★	1975	294	-	2/3/2026	\$3,900,000	\$13,265	\$16	



Located in Southeast Texas, the Houston metropolitan area is home to approximately 7.9 million people, making it the fifth-largest in the United States.

Houston consistently ranks among the fastest-growing metros in the country. Since 2010, the region has added more than 1.5 million residents, positioning it as the second-fastest growing metro in the U.S., just behind Dallas–Fort Worth. This growth is fueled by the area's affordability, warm climate, low taxes, pro-business environment, cultural diversity, and vibrant lifestyle, making Houston a top destination for newcomers.

Historically, the oil and gas industry has been a cornerstone of Houston's economy, but the region has diversified significantly. Today, healthcare, biomedical research, aerospace, as supported by NASA, and the Port of Houston are also major employment drivers. Houston is home to the world's largest medical center, and its port ranks among the busiest in the nation by tonnage.

Generous state incentives, such as no corporate or personal income tax, have attracted manufacturing and distribution hubs. Combined with highly rated public schools and comparatively affordable housing, Houston's suburbs have become prime destinations for families and businesses alike.

### Commercial Real Estate Tapestry

Houston is a diverse commercial real estate market with a relatively new inventory of multifamily and retail properties concentrated in suburban areas. Although retail construction has been limited nationwide this past decade, developers have focused on building new retail properties near housing developments in rapidly growing suburban areas.

Industrial properties are overrepresented in the market, comprising 35% of the market's inventory but only 25% of its total asset value. The metro has experienced a surge in big-box warehouse development, fueled by port expansion, strong population growth, and its strategic location. Houston offers quick access to Mexico and benefits from two major airports, extensive interstate networks, and robust rail connections.

Although evolving office work habits and capital market conditions have pressured valuations, particularly among older properties, newer trophy inventory has helped keep asset values in the market high. Houston ranks as the

7th largest office market by square footage, while office property values rank 10th in the nation.

The hospitality sector here is relatively small, with hotel properties concentrated mainly in the Central Business District, serving business travelers, and in the Galleria/Uptown area, which caters to luxury shoppers and international visitors.

### Population Trends

Population growth in the Houston metropolitan area has been consistently strong this past decade. With a population of 7.9 million, the region ranks fifth in terms of total population and seventh in terms of annual population growth. The population here is younger, though slightly less educated than the national average.

Houston's population growth is driven not just by net domestic migration, or movement from other parts of the country, but also by international migration and natural increases, births exceeding deaths.

Houston has a larger average household size than the U.S., reflecting its high immigrant share and multigenerational households.

Many newcomers arrive from higher-cost housing markets, with California, Illinois, and Florida consistently among the top sources of inbound migration.

Within the region, suburban expansion has been dramatic. While the metro grew 1.6% over the past year, cities like Fulshear and Manvel surged by 35% and 10%, respectively. International immigration also contributed to Harris County becoming the fastest-growing county in the U.S. last year.

### Labor Market

Houston is known as the energy capital of the world, yet its economy is highly diversified, encompassing healthcare, aerospace, logistics, petrochemicals, and professional services. Major employers include ExxonMobil, Chevron, Shell, ConocoPhillips, MD Anderson, Texas Medical Center institutions, NASA's Johnson Space Center, Sysco, and Amazon fulfillment centers. The city ranks third nationally in terms of Fortune 500

headquarters, with 26 companies based here, trailing only New York and Chicago.

Houston's economy shows mixed performance. The region is emerging as a hub for biotechnology and life sciences, supported by medical research, device manufacturing, and health innovation. Clean energy and hydrogen investments are driving new projects, while healthcare remains strong thanks to the Texas Medical Center's expansion. The logistics and industrial sectors thrive on population growth, e-commerce, and port

activity, although traditional manufacturing and energy services lag behind. Unemployment is slightly below the U.S. average, reflecting solid job creation. Recent announcements, including Eli Lilly's \$6.5 billion biomanufacturing plant and Apple's AI server facility, underscore Houston's momentum.

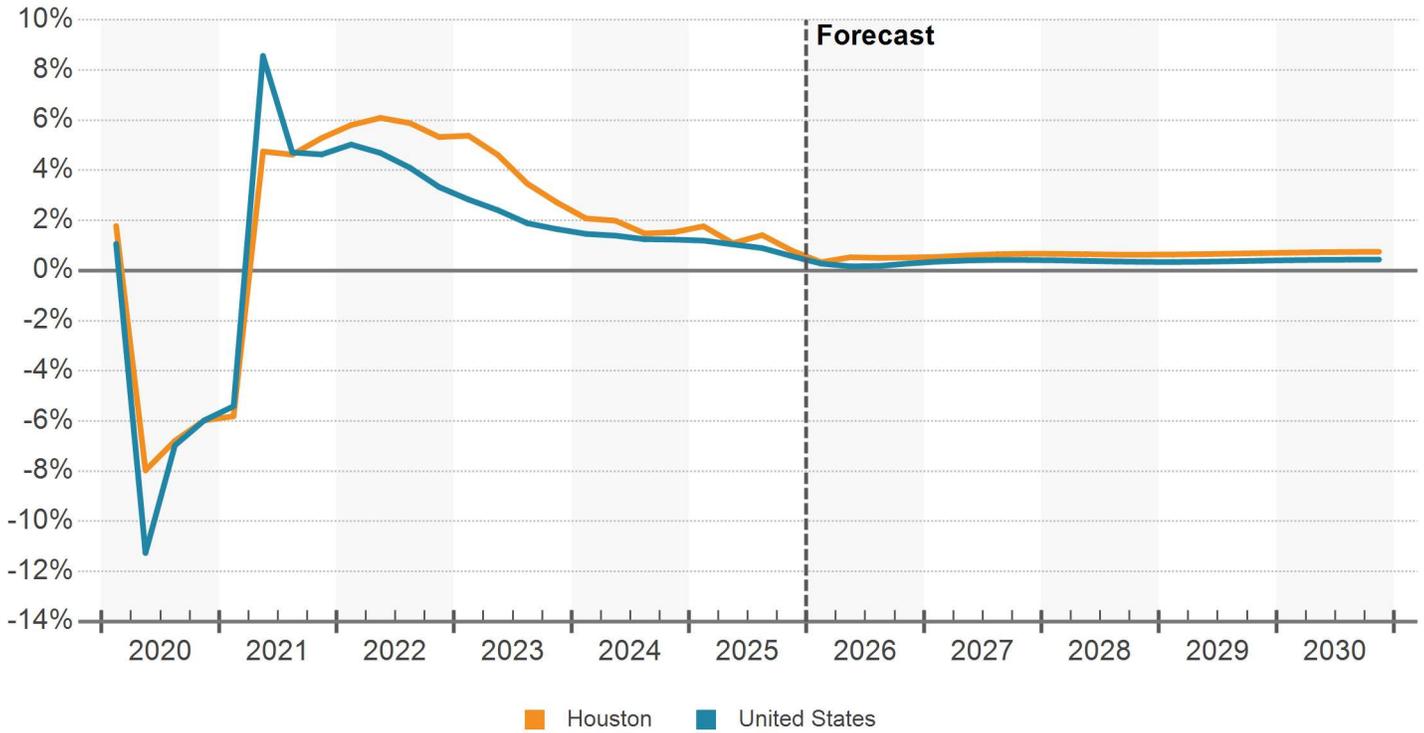
The metro continues to benefit from its diverse economic base, strong population growth, and business-friendly policies, positioning the region for sustained expansion.

### HOUSTON EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	240	0.9	-0.42%	-0.29%	0.41%	0.31%	0.23%	0.21%
Trade, Transportation and Utilities	707	1.1	0.72%	0.04%	1.54%	0.76%	0.47%	0.22%
Retail Trade	326	1.0	0.82%	0.33%	0.76%	-0.05%	0.35%	0.15%
Financial Activities	188	0.9	1.13%	0.05%	1.99%	1.18%	0.49%	0.24%
Government	456	0.9	-0.42%	-0.46%	1.65%	0.59%	0.82%	0.32%
Natural Resources, Mining and Construction	320	1.6	0.72%	-0.10%	0.26%	1.93%	0.16%	0.54%
Education and Health Services	473	0.8	2.30%	2.54%	2.50%	2.16%	0.92%	0.41%
Professional and Business Services	571	1.2	-0.30%	-0.34%	1.74%	1.17%	0.80%	0.48%
Information	30	0.5	-0.51%	0.05%	-0.38%	0.60%	-0.03%	0.19%
Leisure and Hospitality	371	1.0	0.69%	0.80%	1.92%	1.02%	1.12%	0.83%
Other Services	135	1.0	0.73%	0.83%	2.27%	0.70%	0.64%	0.18%
<b>Total Employment</b>	<b>3,491</b>	<b>1.0</b>	<b>0.54%</b>	<b>0.41%</b>	<b>1.57%</b>	<b>1.09%</b>	<b>0.66%</b>	<b>0.39%</b>

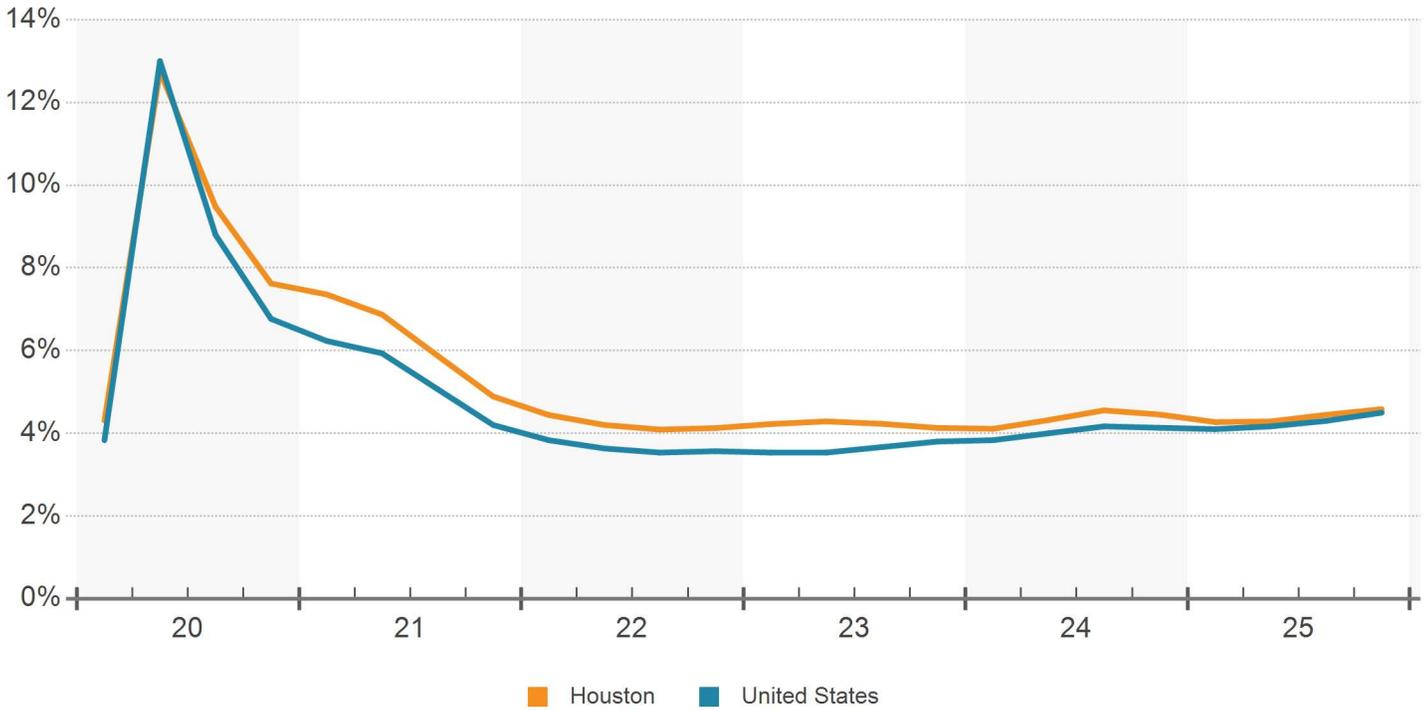
Source: Oxford Economics  
LQ = Location Quotient

### JOB GROWTH (YOY)

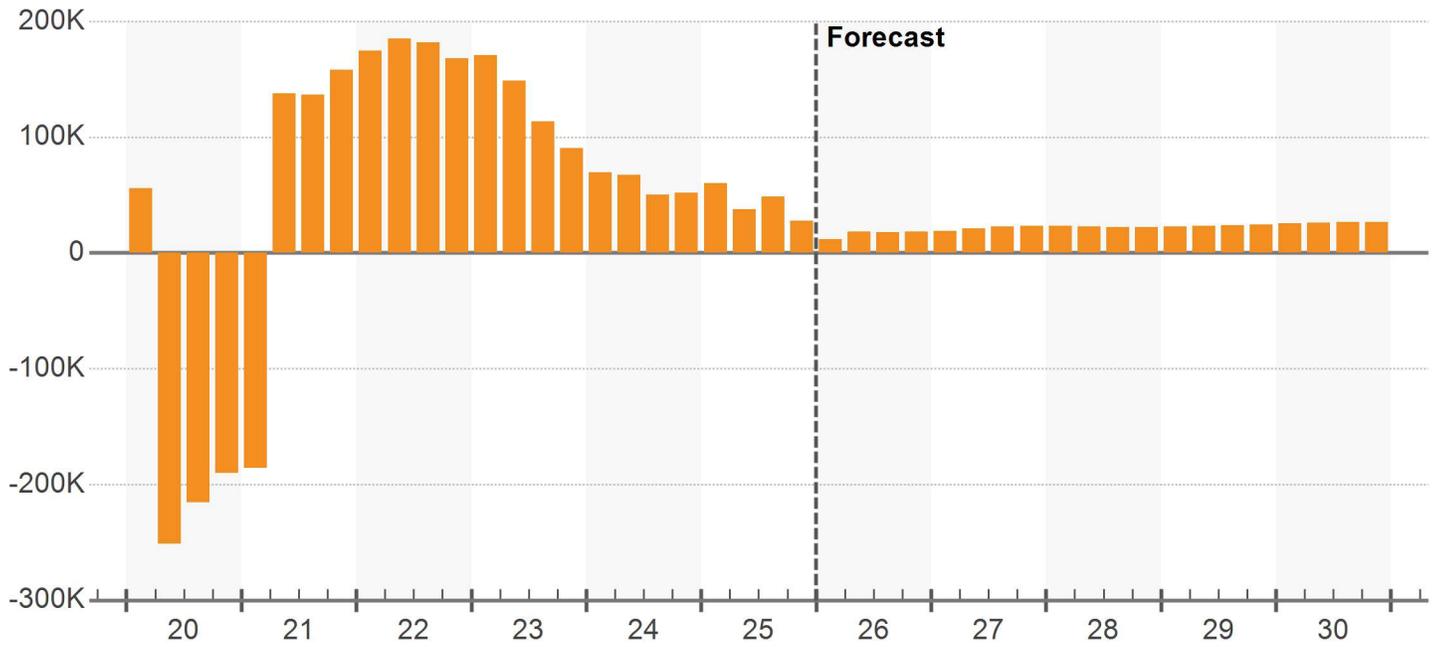


Source: Oxford Economics

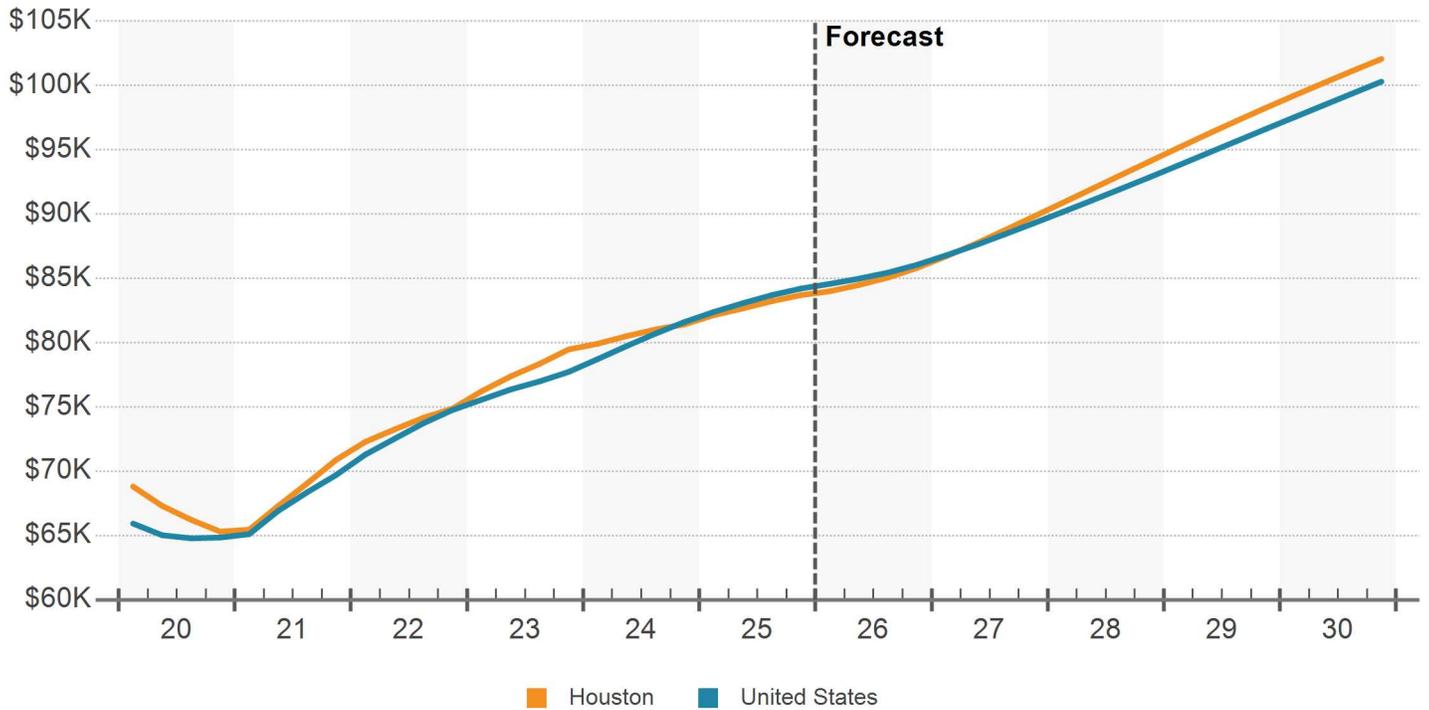
### UNEMPLOYMENT RATE (%)



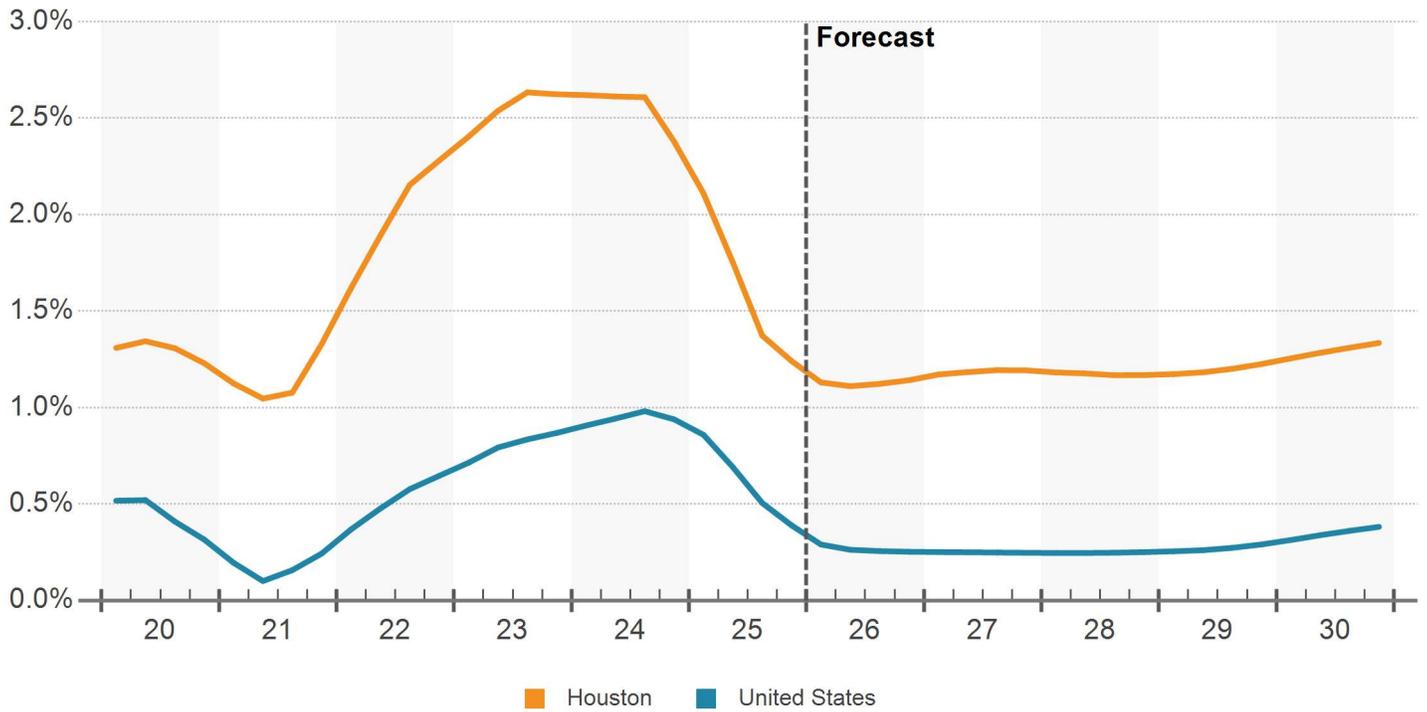
### NET EMPLOYMENT CHANGE (YOY)



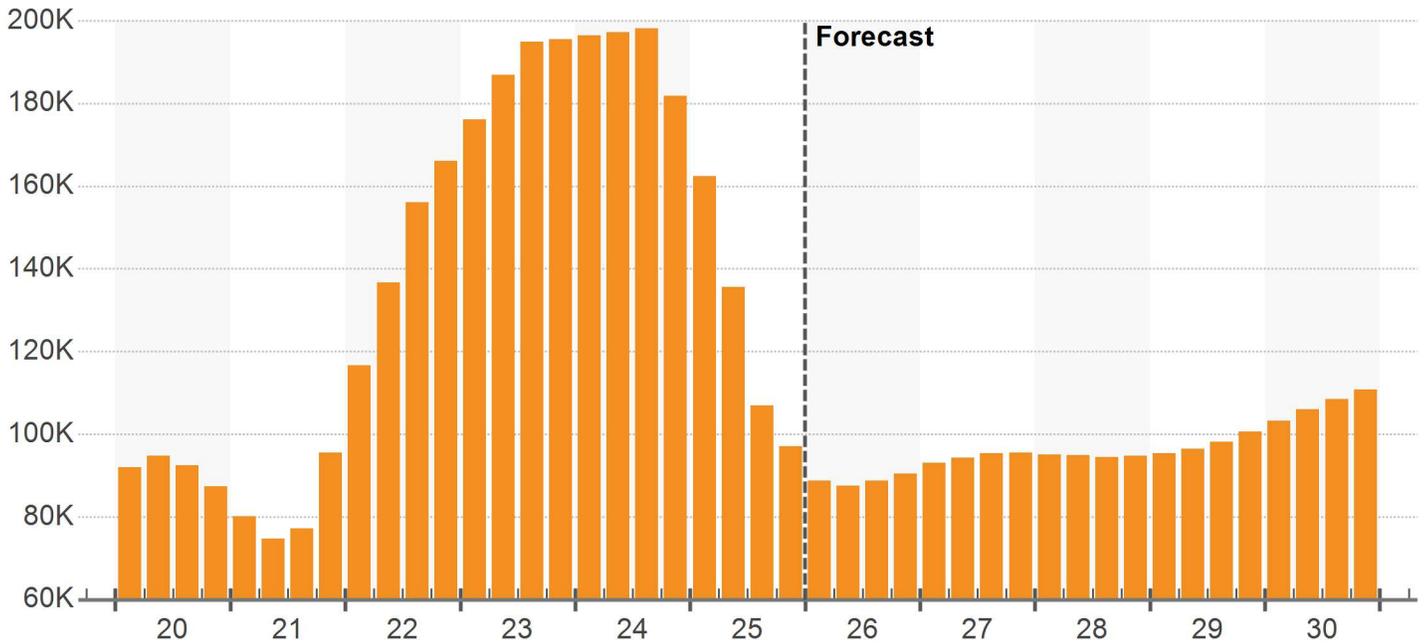
### MEDIAN HOUSEHOLD INCOME



### POPULATION GROWTH (YOY %)



### NET POPULATION CHANGE (YOY)



### DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	7,936,819	342,176,188	1.2%	0.3%	1.6%	0.6%	1.2%	0.3%
Households	2,830,507	134,094,438	1.5%	0.7%	1.8%	1.0%	1.5%	0.6%
Median Household Income	\$83,856	\$84,401	2.5%	2.9%	3.2%	4.2%	4.1%	3.6%
Labor Force	3,909,186	170,943,563	1.5%	0.8%	1.6%	0.8%	0.6%	0.2%
Unemployment	4.6%	4.5%	0.2%	0.4%	0%	0%	-	-

Source: Oxford Economics

#### POPULATION GROWTH



#### LABOR FORCE GROWTH



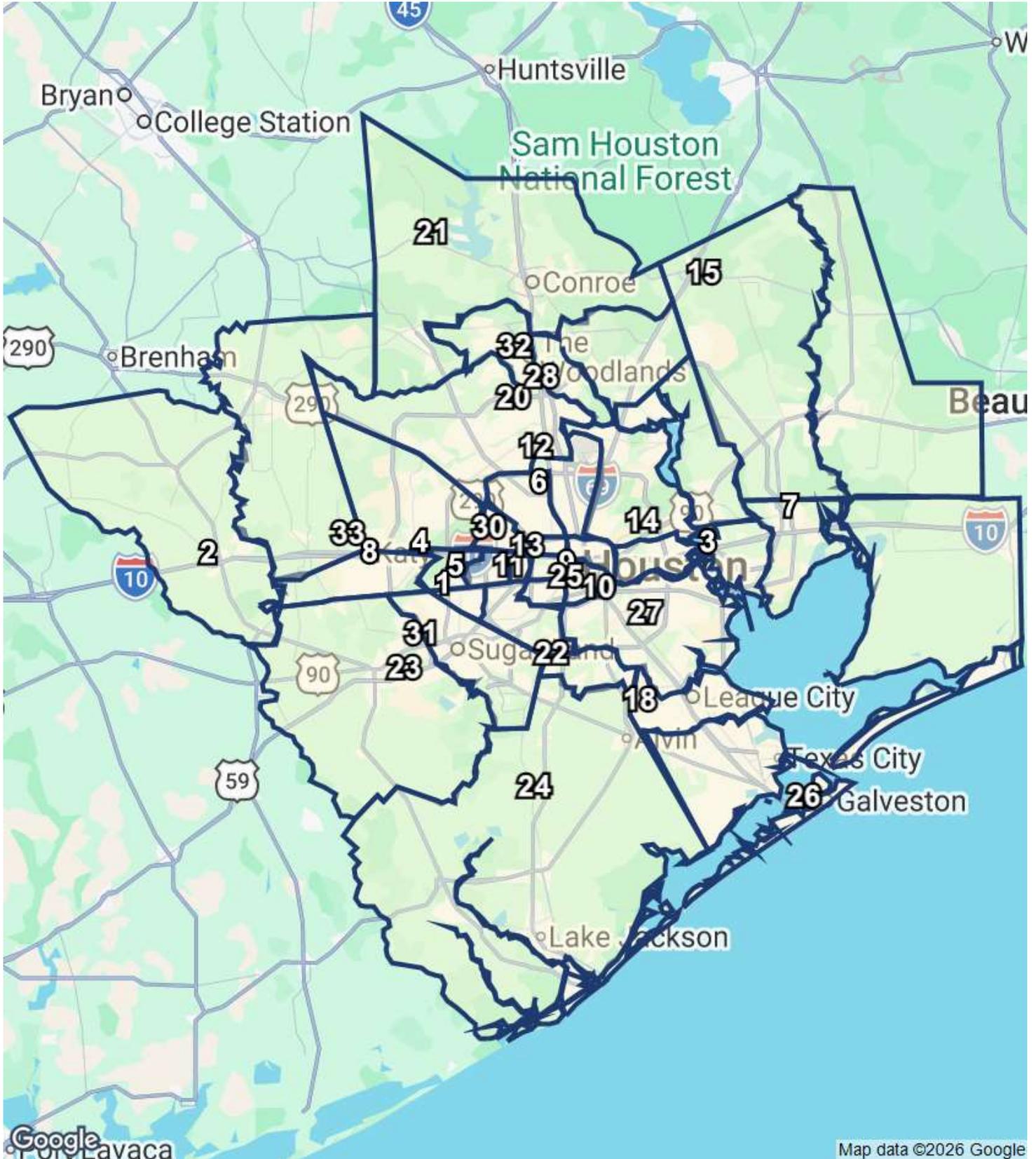
#### INCOME GROWTH



Source: Oxford Economics

# Submarkets

## HOUSTON SUBMARKETS



# Submarkets

## SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	Alief	69	15,945	2.2%	17	1	152	1.0%	24	0	0	0%	-
2	Austin County	18	719	0.1%	34	0	0	0%	-	0	0	0%	-
3	Baytown	70	9,458	1.3%	24	1	203	2.1%	22	0	0	0%	-
4	Bear Creek/Copperfield	138	37,507	5.1%	6	7	1,411	3.8%	1	5	1,376	3.7%	2
5	Briar Forest/West Memorial	108	31,371	4.2%	7	2	337	1.1%	15	1	101	0.3%	21
6	Brookhollow/Inwood	189	26,119	3.5%	10	2	223	0.9%	20	3	472	1.8%	11
7	Chambers County	13	1,660	0.2%	32	2	683	41.1%	9	1	144	8.7%	18
8	Cinco Ranch	70	20,841	2.8%	15	3	452	2.2%	11	3	994	4.8%	4
9	Downtown Houston	32	7,488	1.0%	26	1	229	3.1%	19	0	0	0%	-
10	East End Houston	122	6,768	0.9%	27	1	284	4.2%	18	0	0	0%	-
11	Galleria/Uptown	114	24,641	3.3%	11	2	9	0%	28	4	480	1.9%	10
12	Greenspoint/IAH Airport	162	21,981	3.0%	14	2	219	1.0%	21	4	245	1.1%	16
13	Heights	143	14,329	1.9%	19	3	918	6.4%	6	1	214	1.5%	17
14	Lake Houston Area	158	26,684	3.6%	9	3	804	3.0%	7	3	790	3.0%	5
15	Liberty County	23	1,074	0.1%	33	0	0	0%	-	1	10	0.9%	24
16	Medical Center/West Uni...	166	28,617	3.9%	8	1	120	0.4%	25	2	609	2.1%	7
17	Neartown/River Oaks	428	50,449	6.8%	4	4	1,169	2.3%	2	2	647	1.3%	6
18	North Galveston County	79	10,005	1.4%	22	0	0	0%	-	1	111	1.1%	20
19	Northeast Houston	109	3,723	0.5%	30	1	304	8.2%	16	0	0	0%	-
20	Northwest Houston	311	74,952	10.1%	2	4	987	1.3%	3	10	1,741	2.3%	1
21	Outlying Montgomery Co...	116	14,763	2.0%	18	7	966	6.5%	5	2	578	3.9%	8
22	Pearland	38	9,431	1.3%	25	1	109	1.2%	26	1	380	4.0%	13
23	Richmond/Rosenberg	60	9,468	1.3%	23	0	0	0%	-	1	375	4.0%	14
24	South Brazoria County	133	13,281	1.8%	21	2	403	3.0%	14	1	48	0.4%	22
25	South Central Houston	148	5,793	0.8%	28	1	58	1.0%	27	0	0	0%	-
26	South Galveston County	213	13,855	1.9%	20	4	196	1.4%	23	1	21	0.2%	23
27	Southeast Houston	514	76,298	10.3%	1	4	705	0.9%	8	2	417	0.5%	12
28	Southeast Montgomery C...	33	5,449	0.7%	29	2	439	8.1%	12	2	321	5.9%	15
29	Southwest Houston	301	69,546	9.4%	3	0	0	0%	-	3	561	0.8%	9
30	Spring Branch	139	24,015	3.2%	12	2	413	1.7%	13	0	0	0%	-
31	Sugar Land/Missouri City	87	22,332	3.0%	13	4	978	4.4%	4	4	1,176	5.3%	3
32	The Woodlands	68	18,734	2.5%	16	3	639	3.4%	10	1	144	0.8%	18
33	Waller County	27	2,231	0.3%	31	2	288	12.9%	17	0	0	0%	-
34	Westchase/Woodlake	135	41,205	5.6%	5	0	0	0%	-	0	0	0%	-

### SUBMARKET RENT

No.	Market	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Alief	\$1,084	\$1.28	31	0.8%	\$1,068	\$1.26	30	1.8%	1.4%	17
2	Austin County	\$1,185	\$1.40	23	3.0%	\$1,181	\$1.39	22	3.2%	0.3%	34
3	Baytown	\$1,114	\$1.29	29	1.2%	\$1,100	\$1.27	29	2.1%	1.3%	24
4	Bear Creek/Copperfield	\$1,494	\$1.56	13	-2.3%	\$1,465	\$1.53	14	-1.2%	1.9%	9
5	Briar Forest/West Memorial	\$1,350	\$1.44	21	-3.1%	\$1,330	\$1.41	21	-2.7%	1.5%	15
6	Brookhollow/Inwood	\$1,125	\$1.31	28	-2.3%	\$1,110	\$1.29	28	-1.7%	1.3%	25
7	Chambers County	\$1,610	\$1.72	6	0.7%	\$1,506	\$1.60	9	-5.5%	6.5%	1
8	Cinco Ranch	\$1,568	\$1.61	10	-2.2%	\$1,547	\$1.58	11	-2.0%	1.3%	22
9	Downtown Houston	\$2,273	\$2.32	1	-3.3%	\$2,235	\$2.28	1	-3.0%	1.7%	11
10	East End Houston	\$1,437	\$1.74	5	-1.3%	\$1,422	\$1.72	5	1.5%	1.1%	27
11	Galleria/Uptown	\$1,521	\$1.63	9	-1.5%	\$1,499	\$1.61	8	-1.0%	1.5%	14
12	Greenspoint/IAH Airport	\$970	\$1.18	34	-0.7%	\$961	\$1.17	34	-0.4%	0.9%	32
13	Heights	\$1,734	\$2.04	3	-0.2%	\$1,694	\$2	3	-1.0%	2.3%	6
14	Lake Houston Area	\$1,372	\$1.48	17	-0.4%	\$1,344	\$1.45	16	-0.9%	2.0%	7
15	Liberty County	\$1,238	\$1.28	30	2.5%	\$1,187	\$1.23	33	0.9%	4.1%	2
16	Medical Center/West Uni...	\$1,667	\$1.83	4	-2.3%	\$1,648	\$1.81	4	-1.8%	1.1%	28
17	Neartown/River Oaks	\$1,986	\$2.13	2	-2.6%	\$1,965	\$2.10	2	-1.9%	1.1%	29
18	North Galveston County	\$1,471	\$1.54	14	-0.2%	\$1,461	\$1.53	13	0.5%	0.7%	33
19	Northeast Houston	\$1,307	\$1.68	7	-1.7%	\$1,287	\$1.65	7	-2.2%	1.6%	13
20	Northwest Houston	\$1,323	\$1.44	20	-0.9%	\$1,304	\$1.42	20	-0.1%	1.4%	16
21	Outlying Montgomery Co...	\$1,356	\$1.40	22	-0.8%	\$1,313	\$1.35	26	-1.3%	3.1%	3
22	Pearland	\$1,596	\$1.60	11	0.9%	\$1,578	\$1.59	10	1.0%	1.1%	26
23	Richmond/Rosenberg	\$1,412	\$1.54	15	-1.4%	\$1,388	\$1.51	15	-1.6%	1.7%	10
24	South Brazoria County	\$1,159	\$1.26	33	-1.9%	\$1,136	\$1.23	32	-2.2%	2.0%	8
25	South Central Houston	\$1,213	\$1.37	26	1.0%	\$1,202	\$1.36	24	1.1%	0.9%	31
26	South Galveston County	\$1,285	\$1.46	19	0.5%	\$1,264	\$1.44	18	0.9%	1.7%	12
27	Southeast Houston	\$1,149	\$1.37	27	0.5%	\$1,134	\$1.35	27	1.0%	1.3%	23
28	Southeast Montgomery C...	\$1,475	\$1.46	18	-2.6%	\$1,433	\$1.42	19	-3.8%	2.8%	4
29	Southwest Houston	\$1,051	\$1.27	32	0.2%	\$1,041	\$1.25	31	0.8%	1.0%	30
30	Spring Branch	\$1,224	\$1.38	25	-0.5%	\$1,207	\$1.36	25	0.7%	1.4%	18
31	Sugar Land/Missouri City	\$1,548	\$1.60	12	-2.2%	\$1,527	\$1.58	12	-1.5%	1.4%	21
32	The Woodlands	\$1,639	\$1.67	8	-2.1%	\$1,617	\$1.65	6	-1.6%	1.4%	20
33	Waller County	\$1,415	\$1.48	16	-0.5%	\$1,377	\$1.44	17	0.5%	2.7%	5
34	Westchase/Woodlake	\$1,248	\$1.40	24	-1.6%	\$1,231	\$1.38	23	-1.2%	1.4%	19

### SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Alief	1,797	11.3%	10	52	0.3%	21	-
2	Austin County	58	8.1%	2	(15)	-2.1%	24	-
3	Baytown	1,291	13.7%	23	134	1.4%	17	1.5
4	Bear Creek/Copperfield	4,968	13.2%	21	2,222	5.9%	1	0.6
5	Briar Forest/West Memorial	3,979	12.7%	19	(439)	-1.4%	31	-
6	Brookhollow/Inwood	3,238	12.4%	15	(64)	-0.2%	26	-
7	Chambers County	679	40.9%	34	80	4.8%	19	8.6
8	Cinco Ranch	2,097	10.1%	4	131	0.6%	18	2.9
9	Downtown Houston	1,038	13.9%	25	76	1.0%	20	3.0
10	East End Houston	1,068	15.8%	29	546	8.1%	7	0.5
11	Galleria/Uptown	3,087	12.5%	16	(281)	-1.1%	29	-
12	Greenspoint/IAH Airport	3,533	16.1%	30	(607)	-2.8%	33	-
13	Heights	1,730	12.1%	12	1,280	8.9%	2	0.5
14	Lake Houston Area	3,383	12.7%	18	(150)	-0.6%	28	-
15	Liberty County	167	15.6%	27	13	1.2%	22	-
16	Medical Center/West Uni...	3,366	11.8%	11	(476)	-1.7%	32	-
17	Neartown/River Oaks	5,171	10.3%	5	581	1.2%	6	2.0
18	North Galveston County	743	7.4%	1	(21)	-0.2%	25	-
19	Northeast Houston	453	12.2%	13	186	5.0%	13	1.6
20	Northwest Houston	9,444	12.6%	17	766	1.0%	5	1.1
21	Outlying Montgomery Co...	2,393	16.2%	31	812	5.5%	4	1.1
22	Pearland	844	9.0%	3	155	1.6%	16	0.7
23	Richmond/Rosenberg	988	10.4%	7	255	2.7%	12	-
24	South Brazoria County	2,716	20.5%	32	(95)	-0.7%	27	-
25	South Central Houston	707	12.2%	14	4	0.1%	23	-
26	South Galveston County	1,831	13.2%	20	328	2.4%	11	0.6
27	Southeast Houston	10,467	13.7%	24	490	0.6%	8	1.4
28	Southeast Montgomery C...	855	15.7%	28	180	3.3%	14	2.4
29	Southwest Houston	7,743	11.1%	8	(938)	-1.3%	34	-
30	Spring Branch	3,267	13.6%	22	178	0.7%	15	2.3
31	Sugar Land/Missouri City	2,492	11.2%	9	962	4.3%	3	0.8
32	The Woodlands	1,937	10.3%	6	346	1.8%	10	1.6
33	Waller County	465	20.9%	33	374	16.8%	9	0.4
34	Westchase/Woodlake	5,815	14.1%	26	(435)	-1.1%	30	-

### OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2030	779,998	10,129	1.3%	9,498	1.2%	1.1
2029	769,869	9,094	1.2%	9,438	1.2%	1.0
2028	760,775	7,433	1.0%	10,125	1.3%	0.7
2027	753,342	6,249	0.8%	10,151	1.3%	0.6
2026	747,093	9,220	1.2%	6,371	0.9%	1.4
YTD	740,775	2,902	0.4%	115	0%	25.2
2025	737,873	12,989	1.8%	8,121	1.1%	1.6
2024	724,884	24,711	3.5%	17,438	2.4%	1.4
2023	700,173	24,743	3.7%	10,803	1.5%	2.3
2022	675,430	16,837	2.6%	1,799	0.3%	9.4
2021	658,593	18,397	2.9%	38,553	5.9%	0.5
2020	640,196	21,512	3.5%	13,391	2.1%	1.6
2019	618,684	12,658	2.1%	12,282	2.0%	1.0
2018	606,026	7,280	1.2%	7,770	1.3%	0.9
2017	598,746	15,537	2.7%	16,460	2.7%	0.9
2016	583,209	18,297	3.2%	5,559	1.0%	3.3
2015	564,912	17,794	3.3%	11,934	2.1%	1.5
2014	547,118	17,017	3.2%	11,336	2.1%	1.5

### 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2030	339,188	8,249	2.5%	8,723	2.6%	0.9
2029	330,939	7,594	2.3%	8,334	2.5%	0.9
2028	323,345	6,056	1.9%	7,650	2.4%	0.8
2027	317,289	4,678	1.5%	6,997	2.2%	0.7
2026	312,611	6,239	2.0%	6,405	2.0%	1.0
YTD	307,717	1,345	0.4%	587	0.2%	2.3
2025	306,372	9,216	3.1%	10,276	3.4%	0.9
2024	297,156	18,599	6.7%	15,700	5.3%	1.2
2023	278,557	20,014	7.7%	12,738	4.6%	1.6
2022	258,543	12,276	5.0%	8,850	3.4%	1.4
2021	246,267	15,005	6.5%	23,620	9.6%	0.6
2020	231,262	19,331	9.1%	11,876	5.1%	1.6
2019	211,931	11,557	5.8%	9,559	4.5%	1.2
2018	200,374	6,543	3.4%	7,913	3.9%	0.8
2017	193,831	15,468	8.7%	19,508	10.1%	0.8
2016	178,363	17,401	10.8%	13,191	7.4%	1.3
2015	160,962	17,467	12.2%	12,271	7.6%	1.4
2014	143,495	18,217	14.5%	10,076	7.0%	1.8

### 3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2030	307,014	1,933	0.6%	1,198	0.4%	1.6
2029	305,081	1,553	0.5%	1,356	0.4%	1.1
2028	303,528	1,428	0.5%	2,433	0.8%	0.6
2027	302,100	1,622	0.5%	3,030	1.0%	0.5
2026	300,478	3,020	1.0%	282	0.1%	10.7
YTD	299,015	1,557	0.5%	(344)	-0.1%	-
2025	297,458	3,788	1.3%	(779)	-0.3%	-
2024	293,670	6,056	2.1%	2,846	1.0%	2.1
2023	287,614	4,579	1.6%	106	0%	43.2
2022	283,035	4,276	1.5%	(4,695)	-1.7%	-
2021	278,759	3,328	1.2%	10,598	3.8%	0.3
2020	275,431	1,777	0.6%	1,545	0.6%	1.2
2019	273,654	1,250	0.5%	2,415	0.9%	0.5
2018	272,404	803	0.3%	1,126	0.4%	0.7
2017	271,601	327	0.1%	(2,307)	-0.8%	-
2016	271,274	843	0.3%	(5,498)	-2.0%	-
2015	270,431	508	0.2%	(587)	-0.2%	-
2014	269,923	(391)	-0.1%	1,213	0.4%	-

### 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2030	133,796	(53)	0%	(423)	-0.3%	0.1
2029	133,849	(53)	0%	(252)	-0.2%	0.2
2028	133,902	(51)	0%	42	0%	-
2027	133,953	(51)	0%	124	0.1%	-
2026	134,004	(39)	0%	(316)	-0.2%	0.1
YTD	134,043	0	0%	(128)	-0.1%	0
2025	134,043	(15)	0%	(1,376)	-1.0%	0
2024	134,058	56	0%	(1,108)	-0.8%	-
2023	134,002	150	0.1%	(2,041)	-1.5%	-
2022	133,852	285	0.2%	(2,356)	-1.8%	-
2021	133,567	64	0%	4,335	3.2%	0
2020	133,503	404	0.3%	(30)	0%	-
2019	133,099	(149)	-0.1%	308	0.2%	-
2018	133,248	(66)	0%	(1,269)	-1.0%	0.1
2017	133,314	(258)	-0.2%	(741)	-0.6%	0.3
2016	133,572	53	0%	(2,134)	-1.6%	0
2015	133,519	(181)	-0.1%	250	0.2%	-
2014	133,700	(809)	-0.6%	47	0%	-

### OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2030	87,556	11.2%	(0.1)	\$1,458	\$1.62	1.8%	(0.1)	\$1,435	\$1.59
2029	86,925	11.3%	(0.2)	\$1,432	\$1.59	1.9%	(0.2)	\$1,410	\$1.57
2028	87,269	11.5%	(0.5)	\$1,405	\$1.56	2.1%	0.8	\$1,384	\$1.54
2027	89,960	11.9%	(0.6)	\$1,376	\$1.53	1.3%	2.2	\$1,355	\$1.50
2026	93,863	12.6%	0.2	\$1,359	\$1.51	-0.9%	(0.1)	\$1,338	\$1.49
YTD	93,815	12.7%	0.3	\$1,369	\$1.52	-1.2%	(0.4)	\$1,349	\$1.49
2025	91,030	12.3%	0.5	\$1,371	\$1.52	-0.8%	(1.4)	\$1,343	\$1.49
2024	86,164	11.9%	0.6	\$1,382	\$1.53	0.7%	(0.1)	\$1,357	\$1.50
2023	78,893	11.3%	1.7	\$1,372	\$1.52	0.8%	(2.6)	\$1,350	\$1.50
2022	64,945	9.6%	2.0	\$1,362	\$1.51	3.4%	(4.3)	\$1,345	\$1.49
2021	49,910	7.6%	(3.4)	\$1,317	\$1.46	7.7%	7.3	\$1,302	\$1.44
2020	70,057	11.0%	0.9	\$1,223	\$1.35	0.4%	(1.1)	\$1,197	\$1.33
2019	61,939	10.0%	(0.1)	\$1,218	\$1.35	1.5%	0.3	\$1,198	\$1.33
2018	61,566	10.2%	(0.2)	\$1,200	\$1.33	1.2%	(1.4)	\$1,158	\$1.28
2017	62,057	10.4%	(0.4)	\$1,185	\$1.31	2.6%	2.3	\$1,145	\$1.27
2016	62,974	10.8%	1.9	\$1,155	\$1.28	0.3%	(3.3)	\$1,109	\$1.23
2015	50,237	8.9%	0.8	\$1,153	\$1.28	3.6%	0.3	\$1,126	\$1.25
2014	44,343	8.1%	0.8	\$1,112	\$1.23	3.3%	-	\$1,093	\$1.21

### 4 & 5 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2030	29,013	8.6%	(0.4)	\$1,748	\$1.82	1.4%	0	\$1,719	\$1.79
2029	29,488	8.9%	(0.4)	\$1,723	\$1.79	1.4%	(0.2)	\$1,695	\$1.76
2028	30,227	9.3%	(0.7)	\$1,699	\$1.77	1.6%	0.9	\$1,671	\$1.74
2027	31,821	10.0%	(0.9)	\$1,672	\$1.74	0.7%	2.1	\$1,644	\$1.71
2026	34,139	10.9%	(0.3)	\$1,661	\$1.73	-1.4%	(0.1)	\$1,634	\$1.70
YTD	35,079	11.4%	0.2	\$1,682	\$1.75	-1.8%	(0.5)	\$1,656	\$1.72
2025	34,321	11.2%	(0.7)	\$1,685	\$1.75	-1.3%	(1.6)	\$1,647	\$1.71
2024	35,382	11.9%	0.2	\$1,708	\$1.77	0.3%	0.5	\$1,674	\$1.74
2023	32,483	11.7%	1.9	\$1,703	\$1.77	-0.2%	(2.8)	\$1,674	\$1.74
2022	25,205	9.8%	0.9	\$1,708	\$1.77	2.6%	(5.8)	\$1,687	\$1.75
2021	21,778	8.9%	(4.3)	\$1,665	\$1.73	8.4%	9.1	\$1,643	\$1.71
2020	30,390	13.2%	2.3	\$1,536	\$1.60	-0.7%	(2.0)	\$1,495	\$1.55
2019	22,933	10.8%	0.4	\$1,547	\$1.61	1.2%	0.7	\$1,520	\$1.58
2018	20,933	10.5%	(1.1)	\$1,528	\$1.59	0.6%	(1.8)	\$1,470	\$1.53
2017	22,303	11.5%	(3.3)	\$1,519	\$1.58	2.4%	3.2	\$1,459	\$1.52
2016	26,340	14.8%	1.0	\$1,484	\$1.54	-0.9%	(2.6)	\$1,414	\$1.47
2015	22,126	13.8%	2.0	\$1,497	\$1.56	1.8%	(0.6)	\$1,460	\$1.52
2014	16,896	11.8%	4.8	\$1,471	\$1.53	2.3%	-	\$1,441	\$1.50

### 3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2030	41,145	13.4%	0.2	\$1,292	\$1.48	2.2%	(0.2)	\$1,273	\$1.46
2029	40,410	13.2%	0	\$1,264	\$1.45	2.4%	(0.3)	\$1,245	\$1.43
2028	40,214	13.2%	(0.4)	\$1,235	\$1.42	2.7%	0.9	\$1,216	\$1.40
2027	41,219	13.6%	(0.5)	\$1,203	\$1.38	1.8%	2.4	\$1,184	\$1.36
2026	42,628	14.2%	0.8	\$1,181	\$1.36	-0.6%	(0.1)	\$1,163	\$1.33
YTD	41,790	14.0%	0.6	\$1,185	\$1.36	-1.0%	(0.5)	\$1,168	\$1.34
2025	39,889	13.4%	1.4	\$1,188	\$1.36	-0.5%	(1.4)	\$1,165	\$1.33
2024	35,324	12.0%	0.9	\$1,194	\$1.37	0.9%	(0.7)	\$1,174	\$1.34
2023	32,113	11.2%	1.4	\$1,183	\$1.35	1.6%	(2.5)	\$1,165	\$1.33
2022	27,634	9.8%	3.1	\$1,165	\$1.33	4.0%	(3.5)	\$1,151	\$1.32
2021	18,665	6.7%	(2.7)	\$1,120	\$1.28	7.5%	6.0	\$1,110	\$1.27
2020	25,933	9.4%	0	\$1,041	\$1.19	1.5%	(0.1)	\$1,025	\$1.17
2019	25,702	9.4%	(0.5)	\$1,026	\$1.17	1.7%	(0.2)	\$1,010	\$1.16
2018	26,869	9.9%	(0.1)	\$1,009	\$1.16	1.8%	(1.0)	\$976	\$1.12
2017	27,194	10.0%	1.0	\$991	\$1.13	2.9%	1.7	\$963	\$1.10
2016	24,557	9.1%	2.3	\$963	\$1.10	1.2%	(4.2)	\$930	\$1.06
2015	18,218	6.7%	0.4	\$952	\$1.09	5.4%	0.9	\$931	\$1.07
2014	17,121	6.3%	(0.6)	\$903	\$1.03	4.5%	-	\$890	\$1.02

### 1 & 2 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2030	17,398	13.0%	0.3	\$1,131	\$1.38	2.2%	(0.2)	\$1,117	\$1.36
2029	17,027	12.7%	0.2	\$1,106	\$1.35	2.4%	(0.3)	\$1,092	\$1.33
2028	16,827	12.6%	(0.1)	\$1,080	\$1.32	2.7%	0.5	\$1,066	\$1.30
2027	16,920	12.6%	(0.1)	\$1,052	\$1.28	2.2%	1.7	\$1,039	\$1.27
2026	17,096	12.8%	0.2	\$1,029	\$1.26	0.5%	(0.4)	\$1,016	\$1.24
YTD	16,947	12.6%	0.1	\$1,026	\$1.25	0.8%	(0.1)	\$1,014	\$1.24
2025	16,820	12.5%	1.0	\$1,024	\$1.25	0.9%	(0.8)	\$1,007	\$1.23
2024	15,458	11.5%	0.9	\$1,015	\$1.24	1.7%	(1.2)	\$1,002	\$1.22
2023	14,297	10.7%	1.6	\$997	\$1.22	3.0%	(2.4)	\$984	\$1.20
2022	12,106	9.0%	2.0	\$968	\$1.18	5.4%	0.3	\$956	\$1.17
2021	9,467	7.1%	(3.2)	\$919	\$1.12	5.1%	2.9	\$910	\$1.11
2020	13,733	10.3%	0.3	\$874	\$1.06	2.2%	0.1	\$861	\$1.05
2019	13,304	10.0%	(0.3)	\$855	\$1.04	2.1%	(0.5)	\$845	\$1.03
2018	13,764	10.3%	0.9	\$837	\$1.02	2.6%	(0.2)	\$815	\$0.99
2017	12,560	9.4%	0.4	\$816	\$0.99	2.8%	0	\$797	\$0.97
2016	12,077	9.0%	1.6	\$793	\$0.97	2.8%	(4.8)	\$776	\$0.94
2015	9,893	7.4%	(0.3)	\$772	\$0.94	7.6%	2.8	\$760	\$0.93
2014	10,327	7.7%	(0.6)	\$717	\$0.87	4.7%	-	\$708	\$0.86

### OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2030	-	-	0%	-	-	-	\$165,809	247	6.4%
2029	-	-	0%	-	-	-	\$162,744	243	6.4%
2028	-	-	0%	-	-	-	\$158,899	237	6.4%
2027	-	-	0%	-	-	-	\$154,045	230	6.4%
2026	-	-	-	-	-	-	\$150,560	225	6.5%
YTD	31	\$6M	0.6%	\$2,010,000	\$19,642	-	\$150,107	224	6.6%
2025	297	\$818.3M	6.2%	\$20,982,974	\$154,871	7.4%	\$150,278	224	6.5%
2024	218	\$1.2B	4.2%	\$25,787,071	\$151,590	7.3%	\$147,740	220	6.6%
2023	193	\$597.5M	3.4%	\$14,574,250	\$118,655	6.9%	\$149,415	223	6.4%
2022	488	\$4.1B	13.2%	\$33,009,979	\$145,491	5.9%	\$167,634	250	5.6%
2021	566	\$3.9B	18.1%	\$32,877,582	\$138,513	5.8%	\$178,279	266	5.1%
2020	235	\$1.4B	4.8%	\$23,953,531	\$122,256	6.8%	\$151,139	225	5.6%
2019	355	\$3.9B	9.4%	\$30,112,709	\$127,596	7.1%	\$142,964	213	5.9%
2018	372	\$5.2B	11.2%	\$33,234,758	\$121,141	7.2%	\$135,914	203	6.0%
2017	299	\$2.8B	7.8%	\$25,923,714	\$113,911	7.4%	\$129,237	193	6.1%
2016	362	\$2.8B	10.4%	\$22,041,414	\$98,434	7.4%	\$121,946	182	6.2%
2015	350	\$2.6B	11.7%	\$22,067,475	\$85,863	8.0%	\$119,852	179	6.1%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

### 4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2030	-	-	0%	-	-	-	\$224,212	230	6.2%
2029	-	-	0%	-	-	-	\$220,211	226	6.2%
2028	-	-	0%	-	-	-	\$215,375	221	6.2%
2027	-	-	0%	-	-	-	\$209,318	214	6.3%
2026	-	-	-	-	-	-	\$205,214	210	6.3%
YTD	6	\$0	0.5%	-	-	-	\$204,797	210	6.4%
2025	75	\$551.4M	6.9%	\$45,952,348	\$168,221	6.8%	\$205,106	210	6.3%
2024	45	\$623.8M	4.2%	\$62,384,196	\$237,202	5.0%	\$203,061	208	6.3%
2023	37	\$289.1M	3.7%	\$36,138,132	\$143,263	5.7%	\$206,783	212	6.1%
2022	143	\$2.1B	15.3%	\$57,816,700	\$191,669	4.7%	\$232,674	238	5.3%
2021	183	\$2.7B	22.9%	\$56,691,435	\$159,646	4.8%	\$248,755	255	4.8%
2020	40	\$937.9M	4.8%	\$46,896,564	\$159,485	4.9%	\$212,977	218	5.3%
2019	80	\$2.4B	11.5%	\$53,619,086	\$157,364	4.8%	\$202,897	208	5.5%
2018	88	\$3B	13.0%	\$48,749,067	\$159,021	5.4%	\$193,931	199	5.6%
2017	56	\$1.9B	8.4%	\$47,415,812	\$150,850	5.3%	\$187,605	192	5.6%
2016	48	\$1.1B	7.2%	\$37,274,979	\$126,527	6.2%	\$176,894	181	5.7%
2015	60	\$1.4B	10.8%	\$43,908,179	\$131,259	5.7%	\$174,457	179	5.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

### 3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2030	-	-	0%	-	-	-	\$133,737	271	6.4%
2029	-	-	0%	-	-	-	\$131,053	265	6.4%
2028	-	-	0%	-	-	-	\$127,562	258	6.4%
2027	-	-	0%	-	-	-	\$123,126	249	6.5%
2026	-	-	-	-	-	-	\$119,793	243	6.5%
YTD	12	\$0	0.6%	-	-	-	\$119,462	242	6.6%
2025	105	\$235M	6.0%	\$19,585,235	\$149,791	7.8%	\$119,546	242	6.6%
2024	76	\$441.7M	4.4%	\$24,538,543	\$107,416	6.4%	\$116,530	236	6.6%
2023	50	\$274.8M	3.1%	\$18,321,013	\$105,213	5.0%	\$116,743	236	6.4%
2022	173	\$1.5B	13.1%	\$30,409,994	\$122,540	5.4%	\$130,564	264	5.6%
2021	194	\$1.1B	17.0%	\$26,417,762	\$110,837	5.3%	\$137,841	279	5.1%
2020	80	\$403.8M	4.7%	\$21,253,365	\$83,072	6.5%	\$116,008	235	5.7%
2019	129	\$1.4B	9.3%	\$26,672,472	\$100,405	7.1%	\$108,659	220	6.0%
2018	146	\$1.8B	11.4%	\$28,877,337	\$94,455	6.6%	\$102,566	208	6.1%
2017	97	\$660.4M	6.7%	\$22,774,134	\$87,223	7.7%	\$95,706	194	6.3%
2016	156	\$1.5B	12.3%	\$24,169,339	\$88,931	7.2%	\$90,427	183	6.4%
2015	121	\$1.1B	12.9%	\$26,002,752	\$65,475	7.7%	\$88,384	179	6.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

### 1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2030	-	-	0%	-	-	-	\$101,013	287	6.8%
2029	-	-	0%	-	-	-	\$99,288	283	6.8%
2028	-	-	0%	-	-	-	\$96,975	276	6.8%
2027	-	-	0%	-	-	-	\$94,006	268	6.8%
2026	-	-	-	-	-	-	\$91,629	261	6.9%
YTD	13	\$6M	0.9%	\$2,010,000	\$19,642	-	\$90,821	258	7.0%
2025	117	\$31.9M	5.0%	\$2,125,667	\$72,963	7.6%	\$90,862	259	6.9%
2024	97	\$94.9M	3.9%	\$5,581,321	\$103,924	8.2%	\$88,245	251	7.0%
2023	106	\$33.6M	3.5%	\$1,868,000	\$82,818	7.5%	\$88,413	252	6.8%
2022	172	\$430.9M	9.7%	\$11,646,481	\$93,964	7.1%	\$98,543	280	5.9%
2021	189	\$112M	11.4%	\$3,861,072	\$85,670	6.5%	\$104,019	296	5.4%
2020	115	\$23.6M	5.1%	\$1,311,446	\$55,413	7.4%	\$85,188	242	6.0%
2019	146	\$91.6M	6.3%	\$2,862,266	\$73,984	7.7%	\$79,625	227	6.4%
2018	138	\$387.3M	8.4%	\$12,103,112	\$79,544	8.7%	\$74,916	213	6.5%
2017	146	\$216.8M	9.0%	\$5,704,079	\$51,535	8.1%	\$67,827	193	6.8%
2016	158	\$158.3M	10.9%	\$4,657,112	\$63,899	8.5%	\$64,030	182	6.9%
2015	169	\$102.6M	10.3%	\$2,386,574	\$39,124	9.0%	\$62,625	178	6.8%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

### DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2030	-	780,001	11.2%	-	10,474	-	10,130	-	-
2029	-	769,871	11.3%	-	9,436	-	9,093	-	-
2028	-	760,778	11.5%	-	7,778	-	7,435	-	-
2027	-	753,343	11.9%	-	6,593	-	6,248	-	-
2026	-	747,095	12.6%	-	9,445	-	9,203	-	-
YTD	4,539	740,794	12.7%	13	2,902	13	2,902	59	11,955
2025	4,526	737,892	12.3%	64	13,004	63	12,989	71	14,577
2024	4,463	724,903	11.9%	109	24,816	107	24,711	89	16,827
2023	4,356	700,192	11.3%	107	24,743	107	24,743	147	31,983
2022	4,249	675,449	9.6%	85	17,238	82	16,837	170	38,444
2021	4,167	658,612	7.6%	79	18,413	78	18,397	132	28,344
2020	4,089	640,215	10.9%	97	21,552	94	21,509	122	28,608
2019	3,995	618,703	10.0%	55	13,040	53	12,657	133	30,830
2018	3,942	606,045	10.2%	46	7,889	41	7,280	85	21,110
2017	3,901	598,765	10.4%	72	16,462	63	15,537	68	13,258
2016	3,838	583,228	10.8%	71	18,358	69	18,294	91	20,215
2015	3,769	564,931	8.9%	75	19,007	63	17,794	115	29,845
2014	3,706	547,137	8.1%	64	19,102	47	17,017	113	28,699