



MULTIFAMILY REPORT

# Houston Begins To Warm Up

Summer 2021

**Rent Expansion Picks Up**

**Investors Favor West Houston**

**Downtown Leads Development**



# HOUSTON MULTIFAMILY



## Bayou City Embarks On Recovery Path

Houston's multifamily market is faring better than expected, despite having gone through several tests during the past decade. After the 2015-16 oil bust and the impact of Hurricane Harvey in 2017, the ongoing health crisis is yet another challenge for the local economy. However, rent growth on a trailing three-month basis through May was only 20 basis points below the 0.6% national rate, with average rents clocking in at \$1,124, \$304 less than the U.S. figure.

Unemployment slid to 8.0% in March, while preliminary April data pointed to a 90-basis-point improvement. Houston lost 175,000 jobs, with most of the positions in the construction and tourism sectors. But Texas has fully reopened its economy and the metro is now on the path to recovery. Large infrastructure projects are bound to bring back construction jobs. A \$30 billion, multiphase, high-speed railway project between Houston and Dallas is anticipated to break ground later this year, while local developer Midway will soon start work on East River, a \$2.5 billion waterfront development.

In the first five months of 2021, multifamily sales amounted to \$1.5 billion, for a per-unit price that surpassed the \$121,000 mark. Meanwhile, 32,207 units were under construction and 4,576 were delivered. Yardi Matrix expects the average rent in Houston to improve 3.8% in 2021.

## Market Analysis | Summer 2021

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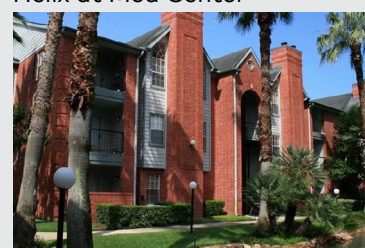
### Recent Houston Transactions

#### Stonegrove Fall Creek



City: Humble, Texas  
Buyer: Pegasus Real Estate  
Purchase Price: \$53 MM  
Price per Unit: \$164,389

#### Helix at Med Center



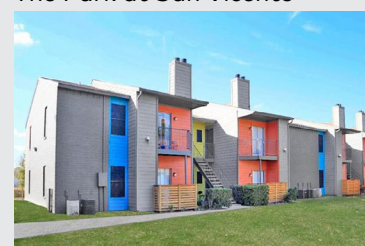
City: Houston  
Buyer: 29th Street Capital  
Purchase Price: \$32 MM  
Price per Unit: \$142,560

#### Rise at Elmside



City: Houston  
Buyer: REEP Equities  
Purchase Price: \$27 MM  
Price per Unit: \$155,484

#### The Park at San Vicente



City: Houston  
Buyer: Blue Magma Residential  
Purchase Price: \$20 MM  
Price per Unit: \$83,889