



MULTIFAMILY REPORT

Houston Oils The Wheels Of Recovery

Fall 2021

Transactions Shatter 2020 Totals

Deliveries Outstrip Pre-Pandemic Levels

Demand for Upscale Units Remains High

HOUSTON MULTIFAMILY



Deliveries Accelerate, Transactions Skyrocket

Houston's rental market has seen especially meaningful progress in 2021, with rising oil prices and improving overall economic conditions supporting multifamily fundamentals. On a trailing three-month basis through October, Houston rents were up by 1.3% to \$1,231. On a year-over-year basis, the average was up 10.3%.

Unemployment slid to 6.1% in August, while September preliminary data pointed to a 60-basis-point improvement. Houston added 139,400 jobs during the 12 months ending in August, with the greatest increases occurring in the hospitality sector, which is experiencing a nationwide recovery. Meanwhile, although the metro's economic base is still tied to the oil industry, Houston has made strides to diversify its economy. The city's business-friendly environment and expanding talent pool have prompted Hewlett Packard Enterprise to relocate its global headquarters from San Jose, Calif., to the Houston region starting early next year. Great Lakes Dredge & Dock Co., one of the largest providers of dredging services, is also moving its corporate office from Chicago.

Despite the booms and busts of the past decade, investors and developers are confident in the metro's longer-term potential. A record \$6.8 billion in multifamily assets changed hands across the greater Houston area in the first 10 months of the year, and 15,696 units came online.

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Contacts

Jeff Adler

Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Laura Calugar
Senior Editor

Recent Houston Transactions

City West



City: Houston
Buyer: Colony Hills Capital
Purchase Price: \$87 MM
Price per Unit: \$170,458

Cortland Halstead



City: Houston
Buyer: JRK Property Holdings
Purchase Price: \$60 MM
Price per Unit: \$199,437

Highpoint at Cypresswood



City: Houston
Buyer: Aspen Oak Capital Partners
Purchase Price: \$50 MM
Price per Unit: \$148,810

Esperanza at Queenston



City: Houston
Buyer: Headway Capital Multifamily
Purchase Price: \$25 MM
Price per Unit: \$146,667