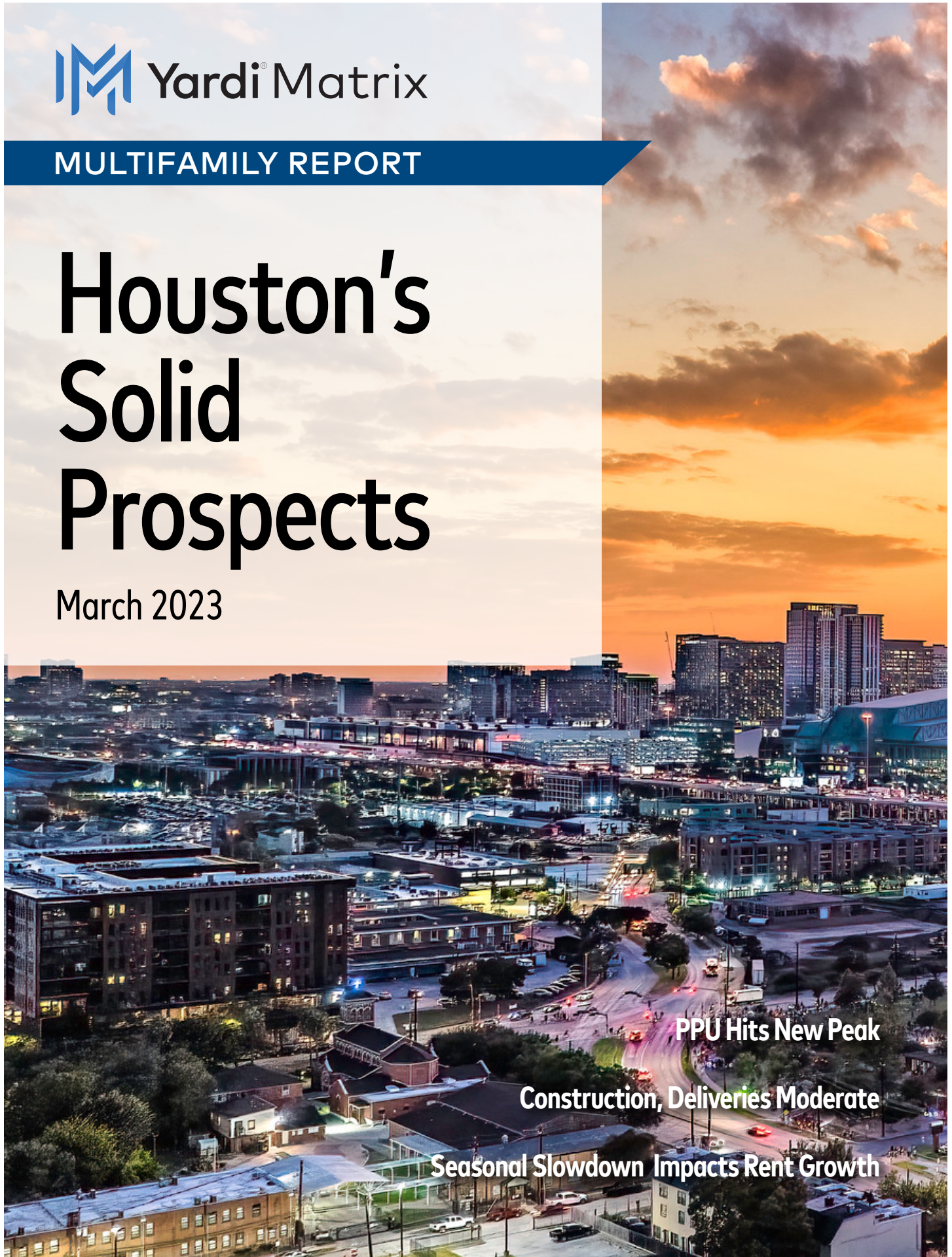




MULTIFAMILY REPORT

# Houston's Solid Prospects

March 2023



**PPU Hits New Peak**

**Construction, Deliveries Moderate**

**Seasonal Slowdown Impacts Rent Growth**

# HOUSTON MULTIFAMILY



## Fundamentals Stabilize

On the heels of two robust years, Houston's multifamily market slowed down to more sustainable levels. Rent gains marked the third-consecutive month of stagnation in January, which is typical for the slower winter season. On a year-over-year basis, rates grew by 4.1%, to an average of \$1,327, while U.S. figures improved by 5.5%, to \$1,701.

Despite being on a decelerating path, unemployment in the Bayou City remained the highest among major metros in the state. As of December, the rate was 3.9%, according to preliminary data from the Bureau of Labor Statistics. The job market expanded by 6.2%, or 176,300 jobs, in the 12 months ending in November, with leisure and hospitality, along with professional and business services, leading gains. This year is expected to be a solid one for job growth. The first building at Helix Park, Texas Medical Center's 37-acre life sciences campus, is slated for completion later in 2023. Meanwhile, the construction sector could benefit significantly from the \$35 billion in public infrastructure funding approved by Texas voters in the November 2022 elections.

More than \$9.7 billion in multifamily properties traded last year in Houston, and developers completed 17,676 units—most of them in luxury assets. Developers and owners in catastrophe-exposed areas such as Houston and other Gulf Coast metros, will face rising insurance costs and increasing expenses for climate-related renovations.

## Market Analysis | March 2023

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### Recent Houston Transactions

#### The Margot on Sage



City: Houston  
Buyer: Bascom Group  
Purchase Price: \$63 MM  
Price per Unit: \$182,455

#### Watersedge



City: Webster, Texas  
Buyer: American Landmark  
Apartments  
Purchase Price: \$55 MM  
Price per Unit: \$154,896

#### The Émile



City: Houston  
Buyer: Quattro Capital  
Purchase Price: \$43 MM  
Price per Unit: \$180,556

#### The 910



City: Houston  
Buyer: MarketSpace Capital  
Purchase Price: \$40 MM  
Price per Unit: \$86,351