



MULTIFAMILY REPORT

Houston Slows Down

July 2024



Rent Growth Trails US

Occupancy Below 93%

Employment Market Still Solid

HOUSTON MULTIFAMILY



Rents Inch Up, Occupancy Slips

Houston multifamily fundamentals moderated but were still healthy. Demand kept up with supply and advertised asking rents posted a 0.2% year-over-year increase, to \$1,355, as of May, which kept the metro among the more affordable U.S. markets. Meanwhile, the average U.S. advertised asking rent posted a 0.6% yearly improvement, to \$1,733, closer to the pre-pandemic pace. The occupancy rate in stabilized properties in Houston lagged, dropping 90 basis points year-over-year as of April, to 92.5%.

In the 12 months ending in March, Houston's employment market expanded by 2.7%, or 67,800 net jobs. This growth rate ranked third among major U.S. metros, behind Las Vegas and Austin. The jobless rate fell to 3.8% in April, slightly above the U.S. (3.9%) and the state (4.0%), but remained the area's best figure since the onset of the pandemic. Of all sectors, only information contracted (-1,000 jobs). Education and health services (24,000 jobs) and government (19,500) led job growth. The largest sector—trade, transportation and utilities—added just 4,200 jobs during the period. However, Port Houston reported a 15% increase in volume in the first quarter of 2024 compared to the previous year.

This year through May, 7,392 units came online, with an additional 31,492 apartments under construction. Multifamily investment remained limited, with \$707 million in assets trading during the first five months of 2024.

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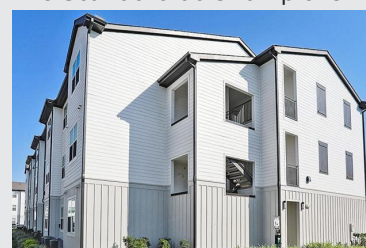
Recent Houston Transactions

Park at Voss



City: Houston
Buyer: Tara Capital
Purchase Price: \$74 MM
Price per Unit: \$91,358

The Standard at Champions



City: Houston
Buyer: Hamilton Point Investments
Purchase Price: \$53 MM
Price per Unit: \$148,148

Allora Bella Terra



City: Richmond, Texas
Buyer: Post Investment Group
Purchase Price: \$49 MM
Price per Unit: \$143,053

Barron Park



City: Pearland, Texas
Buyer: Knightvest Capital
Purchase Price: \$48 MM
Price per Unit: \$137,368