



MULTIFAMILY REPORT

Houston's Near-Record Year

December 2022

Construction Starts Increase

Investment Volume on Upward Trend

Rent Growth Reflects More Stability

HOUSTON MULTIFAMILY



Houston Market Moderation

Houston's rental sector showed resilience, boosted by the recovery of jobs lost during the pandemic. Although the economy posted a slower expansion in 2022, it moved steadily upward. The multifamily market presented a similar sturdiness—increased transaction activity, robust supply additions and steady rent gains. Rent growth and occupancy rates showed signs of moderation, with rates inching up 0.3% on a trailing three-month basis through October, to \$1,327, and occupancy down 60 basis points in the 12 months ending in September, to 93.6%.

Houston unemployment stood at 4.2% in September, according to preliminary data from the Bureau of Labor Statistics, lagging the state (4.0%), the U.S. (3.5%) and the other major Texas metros. Still, the metro's rate rose 130 basis points from the start of the year. The job market expanded by 6.0%, or 191,900 jobs, in the 12 months ending in August, with just the government sector losing jobs (1,800 positions). Mining, logging and construction led gains (42,500 jobs), as even though the metro's dependency on the energy sector loosened, the global energy crisis boosted operations.

Developers delivered 13,740 units through October and had another 29,000 under construction, half of which broke ground in 2022. Meanwhile, investment volume rose to \$9 billion, with robust activity during the first two quarters. Increased competition pushed the price per unit up 10.2%, to \$155,438 in October.

Market Analysis | December 2022

Contacts

Jeff Adler

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

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

Anca Gagiuc

Senior Associate Editor

Recent Houston Transactions

Elan Memorial Park



City: Houston
Buyer: DLP Real Estate Capital
Purchase Price: \$89 MM
Price per Unit: \$298,541

Providence Uptown



City: Houston
Buyer: Post Investment Group
Purchase Price: \$88 MM
Price per Unit: \$210,578

Estates at Bellaire



City: Houston
Buyer: Post Investment Group
Purchase Price: \$87 MM
Price per Unit: \$226,823

Grove East



City: Humble, Texas
Buyer: TTI Capital
Purchase Price: \$65 MM
Price per Unit: \$202,087