



MULTIFAMILY REPORT

Space City: Final Frontier to Recovery

March 2022

Transaction Volume, PPU at All-Time Highs

Stock Expansion Among Country's Highest

Office-Using Jobs Support Economy

HOUSTON MULTIFAMILY



Development, Sales Prop Up Improving Market

Houston's rebounding economy has helped its multifamily market, which posted a substantial bounce back in 2021. On a year-over-year basis through January, rent growth was up 10.9%, to \$1,245, while on a trailing three-month basis the 0.2% rate mirrored the national softening trend attributed to winter. The metro's average overall occupancy rate in stabilized properties rose 200 basis points year-over-year to 94.0% in December.

Unemployment improved to 4.8% in December, outperforming the state (5.0%), but still lagging the national rate (3.9%), according to preliminary data from the Bureau of Labor Statistics. The job market expanded 4.5% in the 12 months ending in November, 10 basis points below the U.S. rate. Professional and business services led growth (33,400 jobs), boosted by the steady stream of companies that expanded in or relocated to Houston, including Hewlett Packard Enterprise, NRG Energy, Axiom Space, Roboze and Exxon Mobil Corp.

Last year marked an all-time high in transaction volume with multifamily sales surpassing \$10.4 billion, more than double the previous decade-high in investment totals. Stock expansion was also robust. The 19,898 units delivered made it the second-best year of the past decade for multifamily inventory expansion.

Market Analysis | March 2022

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Recent Houston Transactions

The Life at Jackson Square



City: Houston
Buyer: Olive Tree Holdings
Purchase Price: \$125 MM
Price per Unit: \$94,419

The Ranch at Shadow Lake



City: Houston
Buyer: Palladius Capital
Management
Purchase Price: \$110 MM
Price per Unit: \$175,573

Broadstone Sawyer Yards



City: Houston
Buyer: Bellrock Real Estate
Partners
Purchase Price: \$92 MM
Price per Unit: \$281,346

The Redford



City: Houston
Buyer: Applesway Investment
Group
Purchase Price: \$92 MM
Price per Unit: \$107,165