

Yardi® Matrix

# Houston's Post-Harvey Boost

Multifamily Report Winter 2018

**High Demand for  
Temporary Housing**

**Development Targets  
Core Areas**

**Rents Hit  
Positive Figures**

# HOUSTON MULTIFAMILY

Yardi® Matrix

## Market Analysis

Winter 2018

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## Bayou City Embarks on Healing Process

The Houston apartment market is still struggling to recover from the 2015 oil price drop. Despite its havoc, Hurricane Harvey provided a short-term boost to fundamentals, as demand for living space from residents displaced by the storm temporarily increased multifamily occupancy.

Job creation in the manufacturing sector was a significant force for the positive shift in Houston's economy, with the metro adding 13,300 new positions in that industry alone. On the other hand, Houston continues to struggle in other sectors, such as construction, transportation and hospitality, which lost more than 20,000 jobs combined. But the energy market has begun to show signs of improvement. Oil prices are on the rise, inventories of petroleum products are declining and energy companies are reporting profits after years of losses. Following Harvey, most refineries along the Texas Gulf Coast have resumed operations. Moreover, state officials have requested federal assistance in the amount of \$61 billion to repair and rebuild public infrastructure in the wake of the hurricane.

The outlook for the multifamily sector will brighten as residents in need of housing absorb new supply. Due to flood-damaged units rendered uninhabitable and delays in deliveries caused by lack of workforce and building materials, rents showed positive growth for the first time in more than a year. However, we expect rents to contract by -0.7% for 2017, as renters return to storm-ravaged homes.

### Recent Houston Transactions

Villas at Shadow Creek Ranch



City: Pearland, Texas  
Buyer: Starwood Capital Group  
Purchase Price: \$67 MM  
Price per Unit: \$120,000

Domain at Kirby



City: Houston  
Buyer: Ilan Investments  
Purchase Price: \$67 MM  
Price per Unit: \$227,912

Remington Park



City: Houston  
Buyer: American Realty Investors  
Purchase Price: \$57 MM  
Price per Unit: \$132,399

The Lodge at Shadowlake



City: Houston  
Buyer: Knightvest Capital  
Purchase Price: \$55 MM  
Price per Unit: \$105,818

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