



MULTIFAMILY REPORT

Modest Gains In Houston

July 2025

Rent Growth Picks Up

Investment Activity Slows

New Construction Softens

HOUSTON MULTIFAMILY



Rents Pick Up, Occupancy Plateaus

Houston multifamily fundamentals were mixed at the start of summer. Rents rebounded and the employment market was solid, yet occupancy remained low and investment activity was tepid. Average advertised asking rents were up 0.2%, on a trailing three-month basis through May, to \$1,371. Although unchanged year-over-year, the occupancy rate in stabilized properties was low, at 92.6% as of April.

Employment marked a 1.3% gain as of March, leading the 0.9% U.S. rate. The market gained 36,300 net jobs over 12 months. Three sectors accounted for 80% of new jobs: education and health services (10,600 jobs), government (9,400 jobs) and trade, transportation and utilities (8,900 jobs). Meanwhile, information and professional and business services lost 5,600 jobs combined. The metro's unemployment rate stood at 3.9% in April, leading the state (4.1%) and the U.S. (4.2%), but trailing all other major Texas metros. Notable developments across Houston include Apple's 250,000-square-foot server manufacturing facility, slated to open in 2026, and BioHub Two, a 45-acre biomanufacturing campus that's part of the 4,300-acre Generation Park.

Developers delivered 5,224 units and had another 25,981 underway as of May, while starts fell closer to historical averages. Investment was low, reaching only \$585 million in 2025 through May. The average price per unit was virtually flat year-to-date, at \$135,141.

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Recent Houston Transactions

Pecan Square Village



City: Houston
Buyer: Ascension Commercial Real Estate
Purchase Price: \$54 MM
Price per Unit: \$103,287

Pearl Woodlake



City: Houston
Buyer: The Praedium Group
Purchase Price: \$50 MM
Price per Unit: \$132,099

The Vista at Southwinds



City: Baytown, Texas
Buyer: Troesh Family Foundation
Purchase Price: \$41 MM
Price per Unit: \$156,226

Fidelis Westlake



City: Houston
Buyer: Hamilton Point Investments
Purchase Price: \$39 MM
Price per Unit: \$141,007