



MULTIFAMILY REPORT

Houston's Absorption Race

December 2025



Asking Rents Slip

Investment Volume Hits \$2B

Occupancy Withstands Wave of Deliveries

HOUSTON MULTIFAMILY



Occupancy Treads Water Amid Growing Pains

Houston fundamentals were a mixed bag going into the fall of 2025, amid fast population growth and following a wave of deliveries in 2024. The average advertised asking rent fell 0.2%, on a trailing three-month basis through October, to \$1,361. Year-over-year, the average Houston rent slid 0.5%, as the U.S. figure rose 0.5%, to \$1,743. Meanwhile, occupancy in stabilized Houston assets stood at 92.6% in September, down just 10 basis points over 12 months.

Employment marked a 1.1% gain through August, leading the 0.8% U.S. rate. Houston added 27,500 net jobs over 12 months. Three sectors accounted for roughly 60% of new jobs, led by education and health services (13,200 jobs), leisure and hospitality (7,200) and trade, transportation and utilities (6,800). Meanwhile, information and professional and business services lost 13,800 jobs combined. The metro's unemployment rate stood at 5.0% in August, trailing the state (4.1%) and the U.S. (4.3%). Notable developments across the market include Port Houston's Project 11 channel expansion and the opening of the \$685 million Houston Methodist Cypress Hospital, which added roughly 700 jobs.

Developers delivered 11,713 units and had another 23,166 units underway as of October, while starts fell closer to historical averages. Investment remained modest for Houston standards, reaching \$2.0 billion in 2025 through October. The price per unit clocked in at \$134,160, virtually flat compared to 2024.

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Recent Houston Transactions

The Museum Tower



City: Houston
Buyer: The Finger Cos.
Purchase Price: \$72 MM
Price per Unit: \$385,027

Marquis Seven Lakes



City: Katy, Texas
Buyer: CWS Capital Partners
Purchase Price: \$70 MM
Price per Unit: \$231,667

The Star



City: Houston
Buyer: Hasta Capital
Purchase Price: \$69 MM
Price per Unit: \$240,452

Whitmore



City: Houston
Buyer: Knightvest Residential
Purchase Price: \$64 MM
Price per Unit: \$202,049