



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.

## Market Analysis | December 2025

### Contacts

#### Jeff Adler

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

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x14006

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

#### Anca Gagiuc

Senior Associate Editor

### 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

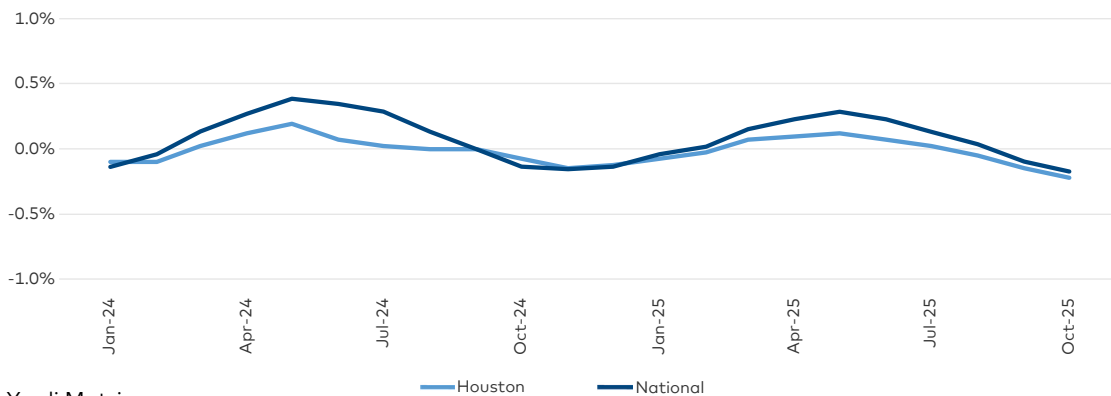


City: Houston  
Buyer: Knightvest Residential  
Purchase Price: \$64 MM  
Price per Unit: \$202,049

## RENT TRENDS

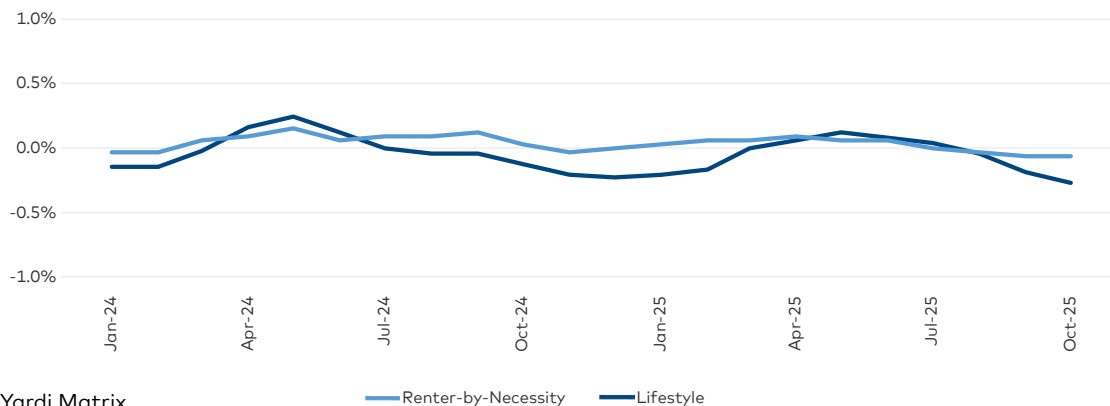
- ▶ Houston advertised asking rents contracted 0.2%, on a trailing three-month (T3) basis through October, to \$1,361. The U.S. rate recorded the same slide, to \$1,743. Houston's recent slowdown is mostly due to the wave of deliveries, even as absorption remained healthy. Year-over-year, Houston rates were down 0.5% through October, while the U.S. average rose 0.5%.
- ▶ Advertised asking rents decreased across property segments. The decline was steeper in the Lifestyle segment, down 0.3% on a T3 basis through October, to \$1,609. Meanwhile, Renter-by-Necessity rates inched down 0.1% for the second consecutive month, to \$1,084.
- ▶ Houston's occupancy rate in stabilized properties slid 10 basis points year-over-year, to 92.6% in September, due to a 40-basis-point drop in the RBN segment, to 91.5%. Meanwhile, Lifestyle occupancy rose 10 basis points, to 93.5%.
- ▶ Advertised asking rents increased year-over-year in 50 of the 85 submarkets tracked by Yardi Matrix. The metro's priciest submarkets were in West Houston, led by the Museum District (-1.0% to \$2,057), the West End/Downtown (-1.7% to \$2,045) and River Oaks (-0.3% to \$1,897). In the metro's eastern half, Clear Creek posted the highest average asking rent (-0.9% to \$1,587).
- ▶ Houston's SFR sector outpaced multifamily. Rents rose 0.4% year-over-year, to \$2,172 as of October. Meanwhile, occupancy was up 30 basis points, to 94.1% in September.

### Houston vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

### Houston Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- ▶ Houston employment growth slowed to 1.1% through August, down 10 basis points month-over-month. The figure was still above the U.S. rate, at 0.8% for five straight months. Houston also surpassed Dallas and Austin (both at 1.0%).
- ▶ Houston unemployment rose 60 basis points year-to-date, to 5.0% in August, lagging the U.S. (4.3%) and Texas (4.1%), according to preliminary Bureau of Labor Statistics data. The rate lagged all other major Texas markets: Austin (3.9%), Dallas and San Antonio (both at 4.4%).
- ▶ The metro added 27,500 net jobs in the 12 months ending in August. Seven sectors sustained growth, led by education and health services (13,200 jobs), leisure and hospitality (7,200) and trade, transportation and utilities (6,800). Another three sectors lost 16,500 jobs combined, with the steepest loss recorded in professional and business services (-13,100).
- ▶ Recent Houston milestones include the completion of Phase 1 of Port Houston's Project 11 channel expansion, which will improve two-way vessel traffic and capacity. Port volumes surpassed 3.2 million TEUs in September, up 5% year-to-date and the highest in the port's history. Meanwhile, the new \$685 million Houston Methodist Cypress Hospital added 700 jobs.

### Houston Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	474.5	13.7%
70	Leisure and Hospitality	374.7	10.8%
40	Trade, Transportation and Utilities	701.7	20.3%
15	Mining, Logging and Construction	317.9	9.2%
80	Other Services	137.5	4.0%
90	Government	443.2	12.8%
55	Financial Activities	181.9	5.3%
50	Information	29.1	0.8%
30	Manufacturing	238.2	6.9%
60	Professional and Business Services	555	16.1%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- ▶ Houston added more than 250,000 residents between 2019 and 2022, for a 3.8% population growth, leading the 2.0% U.S. average.
- ▶ According to recent Census estimates, the Houston-Pasadena-The Woodlands area gained a whopping 200,000 people in 2024 alone.

### Houston vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Houston Metro	6,884,138	6,979,613	7,048,954	7,142,603

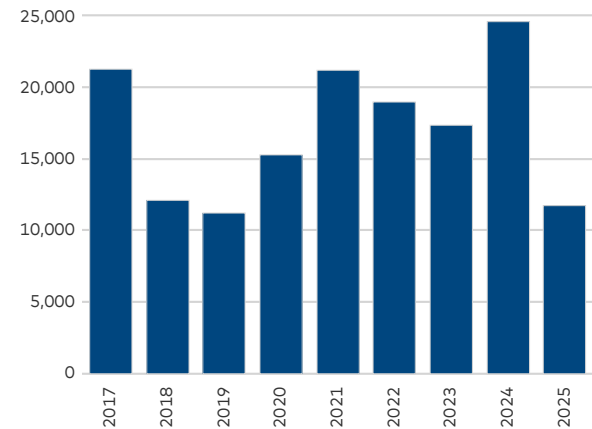
Source: U.S. Census

## SUPPLY

- ▶ Deliveries moderated in Houston, totaling 11,713 units in 2025 through October. That was 1.5% of existing stock, lagging the 2.6% U.S. average. Supply remained stronger in the western half of the metro, accounting for roughly 70% of deliveries, or 8,402 units. On the eastern side, development remained slower, with the addition of 3,311 units. Deliveries remained concentrated in Lifestyle projects (82.2%), followed by fully affordable (10.2%) and RBN (7.6%) assets.
- ▶ The current slowdown comes on the heels of a record 2024, when 24,507 apartments were completed. Developers had an additional 23,166 units under construction as of October 2025, and another 64,000 apartments in the planning and permitting phases. Yardi Matrix expects deliveries to slow down further in 2026, with Houston's yearly completions forecast at 11,354 apartments.
- ▶ Although the market's pipeline remained fairly robust, new construction starts dwindled to 5,601 units across 24 properties in 2025 through October. That marked a considerable drop from the 9,920 units across 44 properties that broke ground during the corresponding interval of 2024.

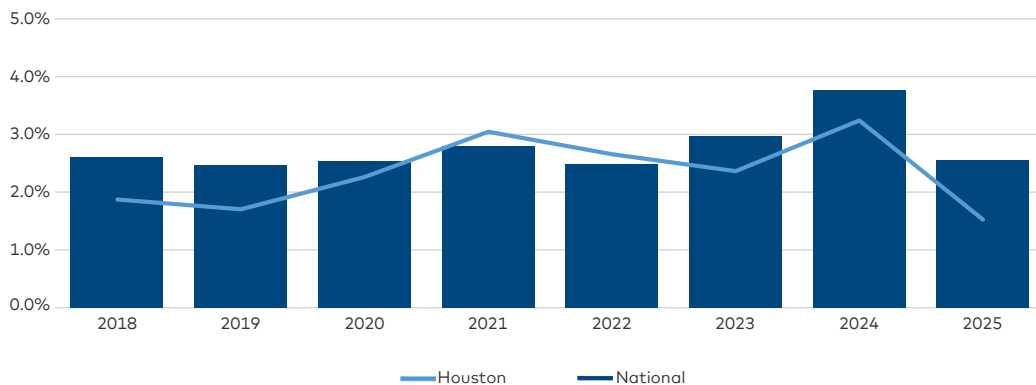
- ▶ As of October, developers were active in 47 of the 85 submarkets tracked by Yardi Matrix, led by Richmond (1,280 units), The Heights (1,108), the East End (1,080) and Jersey Village/Satsuma (1,034).
- ▶ Recent deliveries include the 400-unit Artistry Design District in Katy, 29 miles west of downtown. The Lifestyle asset is owned by McGrath Real Estate Partners and benefited from a \$55 million construction loan from Zions Bank.

**Houston Completions** (as of October 2025)



Source: Yardi Matrix

**Houston vs. National Completions as a Percentage of Total Stock** (as of October 2025)



Source: Yardi Matrix

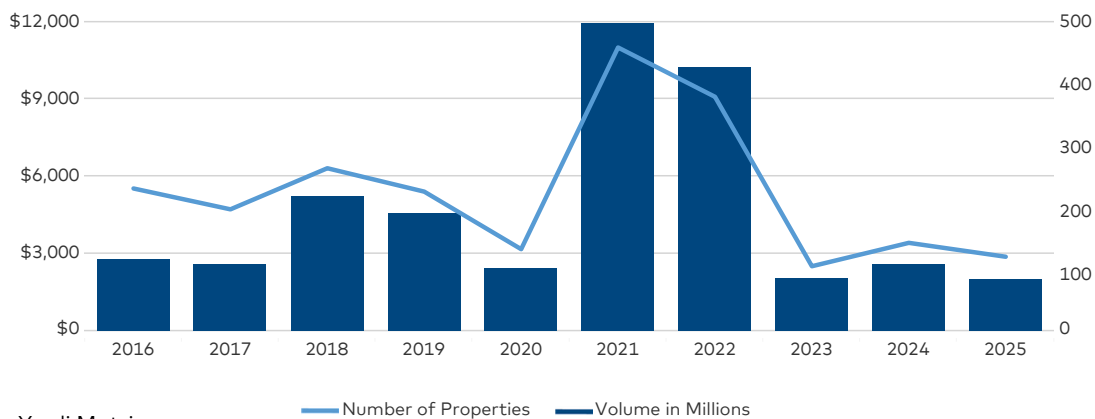
## TRANSACTIONS

- ▶ Houston investment reached \$2 billion year-to-date through October, a little over three-quarters of 2024's total volume for the year. The vast majority of deals closed in the western half of the metro (\$1.7 billion), compared to just \$290 million east of downtown.
- ▶ The sales composition was fairly balanced between Lifestyle and RBN assets. Houston's average price per unit slid a marginal 1.7% year-to-date through October, to \$134,160, yet was still 18.6% above the 2023 rate. The metro's average

per-unit price was 35.3% below the U.S. figure, which rose 7.3%, to \$207,418 this year.

- ▶ PH Realty Capital was one of the most active buyers in Houston in 2025, due to its 2,400-unit, mostly garden-style portfolio acquisition. Kalkan Capital sold the five suburban assets located in northern and western submarkets. The communities were completed in the 1970s and 80s, with the largest being the 881-unit Palm Beach Estates, in the Humble/Westfield submarket.

### Houston Sales Volume and Number of Properties Sold (as of October 2025)



Source: Yardi Matrix

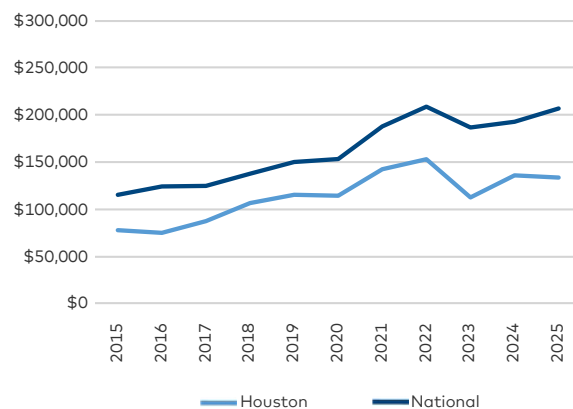
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
West End/Downtown	449
Pierce Junction	189
Katy	187
Piney Point Village-North	181
Spring Valley	178
Addicks	155
Royal Oaks Country Club	128

Source: Yardi Matrix

<sup>1</sup> From November 2024 to October 2025

### Houston vs. National Sales Price per Unit



Source: Yardi Matrix

## Top 10 Markets for Multifamily Transactions in H1 2025

By Vicentiu Fusea

The U.S. multifamily sector saw modest growth in transactions and investments in early 2025 after a slow 2024. Investor confidence is improving amid lower interest rates and market stabilization. National sales rose nearly 20% year-over-year—from \$29.2 billion to \$35 billion—while the average price per unit climbed from \$191,038 to \$213,092, according to Yardi Matrix. The top 10 markets accounted for over one-third of total sales.

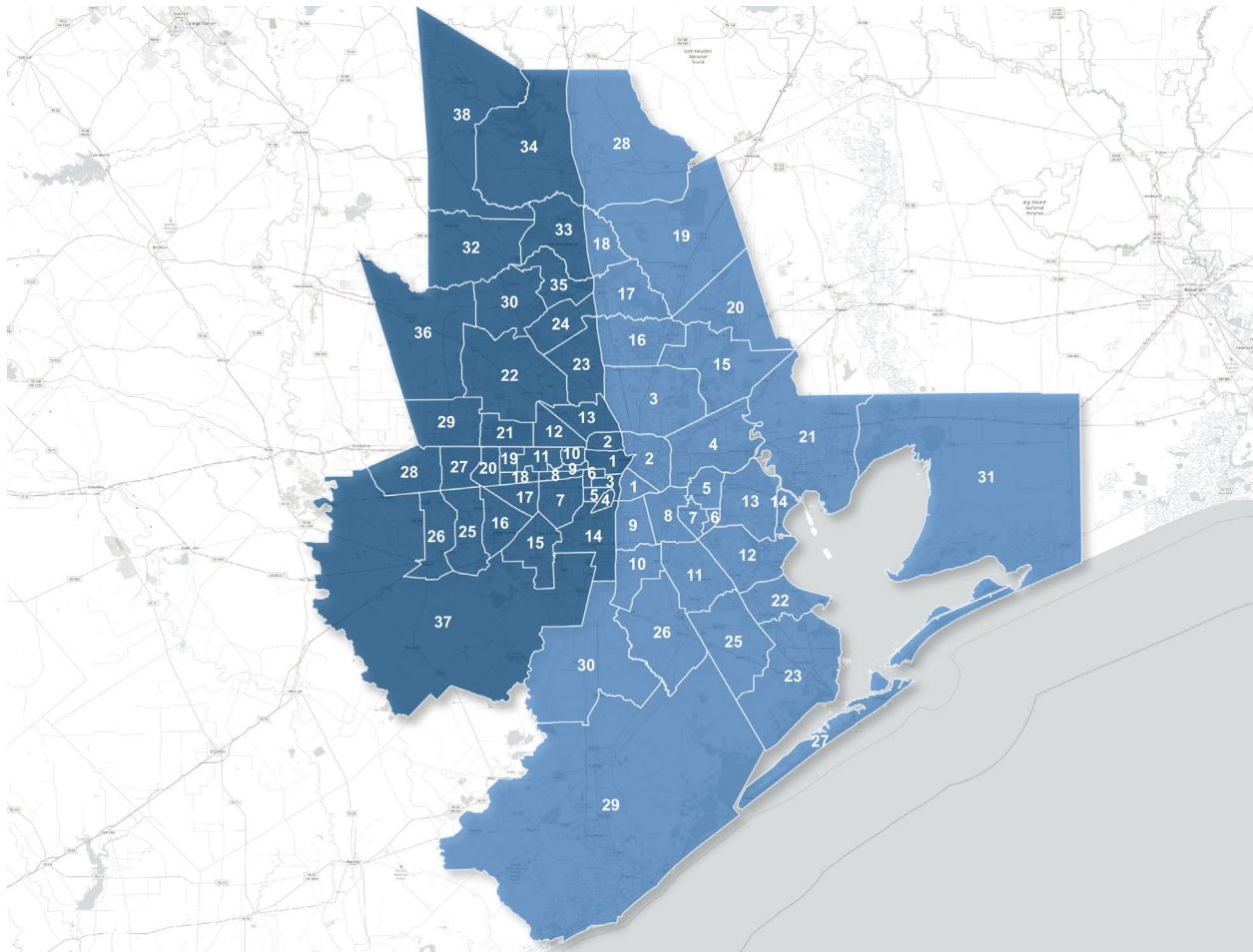
Rank	Market	Sales Volume H1 2025 (Millions)	Sales Volume H1 2024 (Millions)	Properties Traded H1 2025
1	Phoenix	\$1,853	\$1,789	31
2	Seattle	\$1,776	\$602.0	23
3	Atlanta	\$1,657	\$1,491	44
4	Dallas	\$1,608	\$1,219	91
5	Chicago	\$1,362	\$785.3	39
6	Denver	\$1,170	25	19
7	Los Angeles	\$970.7	\$932.7	24
8	Houston	\$960.0	\$1,004	63
9	Portland, Ore.	\$644.8	\$295.2	23
10	Kansas City, Mo.	\$304.8	\$135.1	22

### HOUSTON

Houston recorded 63 multifamily property sales totaling 17,340 units in the first half of 2025, with \$960 million in investments—slightly below the \$1 billion and 57 assets that traded a year earlier. The average price per unit slipped from \$122,101 to \$121,660, the lowest among the top 10 metros and well below the \$213,092 national average. Notably, Balfour Beatty Communities acquired River Pointe, a 300-unit garden-style community in Conroe built in 1999.



# HOUSTON SUBMARKETS



Area No.	Submarket	Area No.	Submarket
1	West End/Downtown	20	George Bush Park
2	The Heights	21	Bear Creek Park
3	Museum District	22	Jersey Village/Satsuma
4	Reliant Park	23	Bammel
5	Bellaire	24	Louetta
6	River Oaks	25	Richmond
7	West Bellaire	26	Rosenberg
8	Piney Point Village–South	27	Cinco Ranch–South
9	Piney Point Village–North	28	Katy
10	Hunters Creek	29	Cinco Ranch–North
11	Bunker Hill Village	30	Tomball
12	Spring Valley	32	Magnolia
13	Rossllyn	33	The Woodlands
14	Missouri City	34	Conroe–West
15	Suger Land–South	35	Avonak
16	Sugar Land–West	36	Northwest Harris County
17	Suger Land–North	37	Outlying Fort Bend County
18	Royal Oaks Country Club	38	West Montgomery County
19	Addicks		

Area No.	Submarket	Area No.	Submarket
1	Greater Third Ward	17	Spring
2	East End	18	The Woodlands–East
3	Mount Houston	19	Porter
4	Cloverleaf	20	Kingwood
5	Pasadena	21	Baytown
6	South Houston Crenshaw Park	22	League City/Dickenson
7	South Houston	23	Texas City
8	William P. Hobby Airport	25	League City–West
9	Pierce Junction	26	Alvin
10	Clear Creek	27	Galveston
11	Pearland/Friendswood	28	Conroe–East
12	Nassau Bay/Seabrook	29	Lake Jackson/Angleton
13	Deer Park	30	Northwest Brazoria County
14	La Porte	31	Outlying Chambers County
15	Atascocita		
16	Humble/Westfield		

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit [www.yardimatrix.com](http://www.yardimatrix.com) or call Ron Brock, Jr., at 480-663-1149 x14006.



# Yardi® Matrix

Power your business  
with the industry's  
leading data provider



## MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily  
provides accurate data on  
nearly **23 million** units, covering  
over **92%** of the U.S. population.



(800) 866-1144

Learn more at [yardimatrix.com/multifamily](https://yardimatrix.com/multifamily)

Contact  
US



## DISCLAIMER

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

## COPYRIGHT NOTICE

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, Inc. dba Yardi Matrix's Terms of Use (<http://www.yardimatrix.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, Inc. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, Inc., the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, Inc. in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2025 Yardi Systems, Inc. All Rights Reserved.