



MARKET AT A GLANCE



OCCUPANCY RATE **88.9%**
Down **20 bps** since 1Q20



EFFECTIVE RENT **\$1,055**
Down **0.5%** since 1Q20

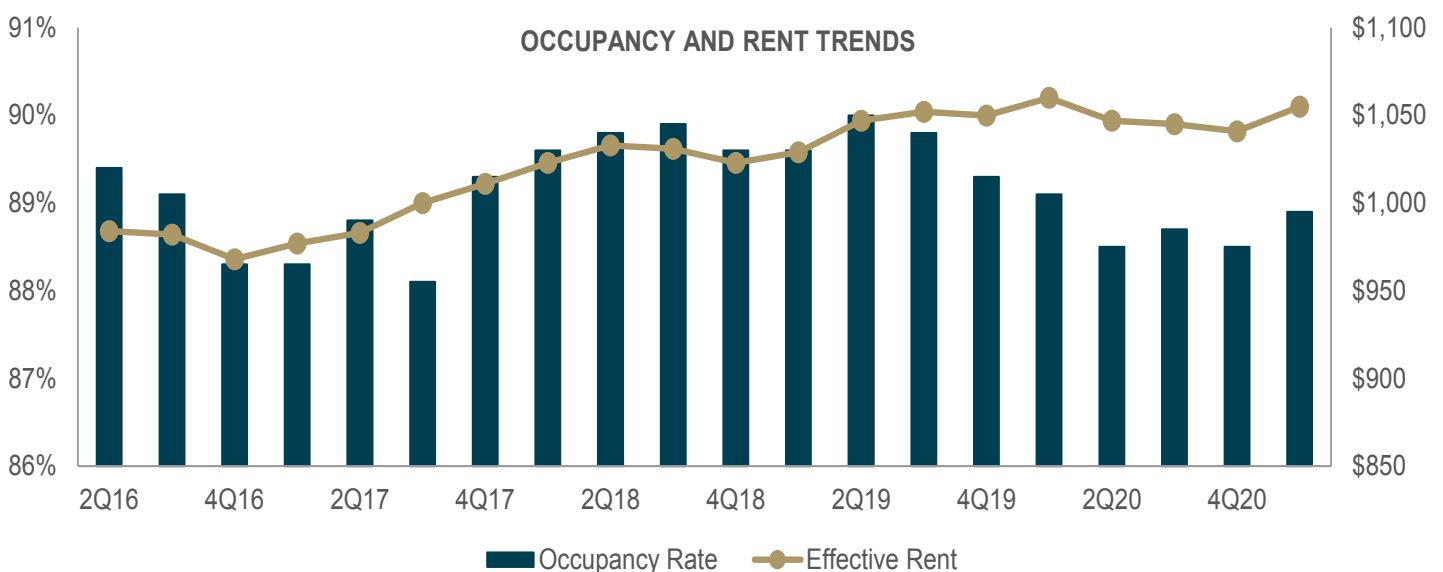


RENT PAYMENT TRACKER (MARCH 1-27) **96.8%**
Down **120 bps** YOY

OCCUPANCY AND RENT TRENDS

HEALTH LEASING ACTIVITY IMPROVES APARTMENT FUNDAMENTALS TO START 2021

A slowdown in apartment deliveries amid sustained rental demand in the Houston metropolitan area to start 2021 benefitted operators. After additions hit a near five-year high with 21,270 new units in 2020, builders brought 1,255 units online in the first quarter of 2021. Part of the slow pace in construction was a result of crew shortages and disruptions to the supply chain for materials due to the pandemic. Deliveries were focused primarily on the Central Houston region with 78% of all additions as developers try to tap into the lack of available housing in the urban core. The new inventory facilitated leasing activity as net absorption was positive in these areas in the first three months of 2021. Another highly sought area by renters was the Katy/Cinco Ranch/Waterside submarket, with more than 900 net units absorbed. The submarket features highly sought lifestyle amenities and hiring in the area by companies like Amazon.com Inc. create an appeal for new and existing residents of the metro. With leasing activity outpacing inventory growth across Greater Houston, average apartment occupancy increased 40 basis points quarter over quarter to 88.9%. At the same time, monthly effective rent advanced on average 1.3% to \$1,055.



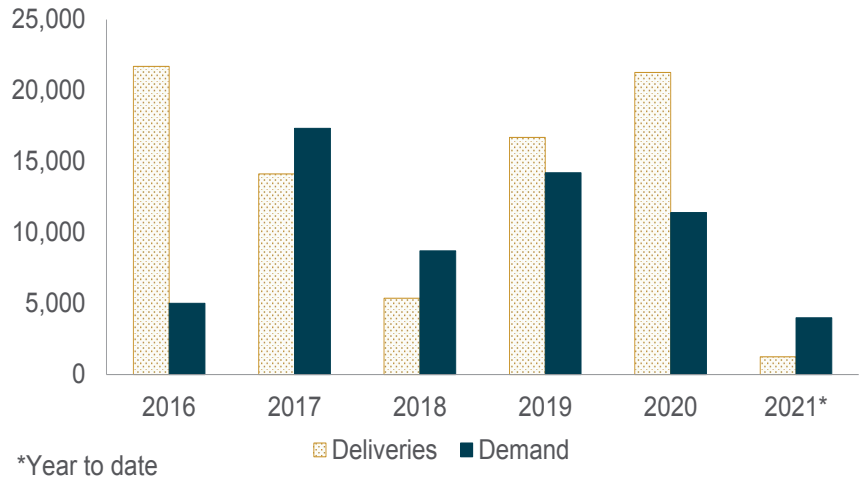
DELIVERIES AND DEMAND



DELIVERIES 1,255
Units YTD



NET ABSORPTION 4,000
Units YTD



ECONOMIC TRENDS

2020 3.8% **UNEMPLOYMENT*** 2021 7.8%
400 BPS CHANGE

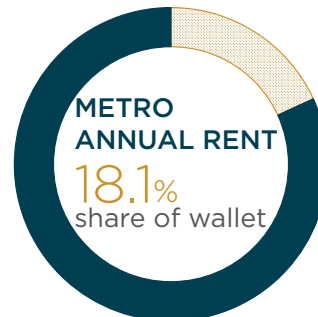
2020 3.2m **EMPLOYMENT*** 2021 3.0m
-6.9% CHANGE

2020 90.8k **EXISTING SFH SALES**** 2021 109.0k
20.0% CHANGE

2020 7.2m **POPULATION**** 2021 7.3m
1.3% CHANGE

2020 0.87% **10-YEAR TREASURY**** 2021 1.61%
70 BPS CHANGE

*February; **March



HOUSTON

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	1Q21	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	1Q21	Q-o-Q Change	Y-o-Y Change	1Q21	Annual	1Q21	Annual
Alief	89.6%	-130	-60	\$894	1.0%	1.5%	-334	-58	0	105
Almeda/South Main	91.7%	0	-50	\$865	0.1%	-0.8%	0	-23	0	0
Alvin/Angleton/Lake Jackson	79.8%	110	-190	\$846	-0.9%	-3.2%	132	-15	0	242
Baytown	86.8%	150	150	\$924	1.0%	0.9%	165	147	0	0
Bear Creek/Copperfield/Fairfield	91.0%	20	120	\$1,113	0.2%	0.2%	50	853	0	706
Beltway 8/I-45 South	89.5%	20	-10	\$918	1.0%	0.0%	26	-21	0	0
Braeswood/Fondren SW	89.1%	-50	20	\$814	0.1%	1.5%	-114	46	0	0
Brookhollow/Northwest Crossing	88.9%	50	80	\$900	0.4%	-0.3%	115	747	0	646
Clear Lake/Webster/League City	90.8%	-10	-30	\$1,096	0.4%	0.6%	-10	271	0	379
Conroe North/Montgomery	91.4%	180	140	\$974	1.0%	0.6%	166	429	0	334
Dickinson/Galveston	89.4%	-110	-140	\$961	1.1%	1.9%	-126	-157	0	0
Downtown	83.2%	100	-490	\$1,849	3.9%	-13.6%	63	-302	0	0
Energy Corridor/CityCentre/Briar Forest	90.2%	30	60	\$1,163	1.9%	-0.9%	79	180	0	0
FM 1960 East/IAH Airport	92.1%	40	300	\$944	-0.4%	2.4%	43	280	0	0
Friendswood/Pearland East	94.0%	-10	-130	\$1,061	0.8%	1.4%	-6	-72	0	0
Galleria/Uptown	89.6%	40	-60	\$1,234	1.1%	-7.0%	98	-149	0	0
Greenspoint/Northborough/Aldine	90.5%	-40	0	\$766	-0.1%	1.5%	-78	3	0	0
Heights/Washington Ave	79.0%	260	130	\$7,489	2.1%	-7.3%	660	1,690	354	1,929
Highland Village/Upper Kirby/West U	84.0%	70	-560	\$1,684	3.5%	-5.9%	379	101	302	1,279
Hwy 288 South/Pearland West	93.2%	0	290	\$1,200	2.9%	1.8%	6	142	0	0
I-10 East/Woodforest/Channelview	87.3%	-140	-210	\$885	0.7%	1.7%	-163	-255	0	0
I-69 North	93.6%	20	190	\$869	-1.8%	1.4%	11	78	0	0
Inwood/Hwy 249	93.5%	-10	140	\$884	1.8%	4.3%	-11	78	0	0
Jersey Village/Cypress	92.5%	40	-50	\$1,026	0.2%	1.1%	71	206	0	301
Katy/Cinco Ranch/Waterside	90.6%	290	830	\$1,238	2.7%	2.6%	908	3,488	0	1,064
Lake Houston/Kingwood	83.7%	210	-70	\$1,139	0.9%	0.4%	340	1,280	0	1,651
Med Center/Braes Bayou	90.3%	140	30	\$1,216	2.4%	-4.8%	353	369	0	336
Memorial/Spring Branch	88.4%	-110	-10	\$1,005	3.0%	0.0%	-6	234	276	276
Montrose/Museum/Midtown	84.6%	40	-210	\$1,635	3.5%	-7.4%	332	461	323	913
Northeast Houston/Crosby	88.2%	-60	-30	\$863	-0.1%	2.1%	-19	-11	0	0
Northline	92.8%	70	230	\$808	-1.8%	0.4%	46	156	0	0
Pasadena/Deer Park/La Porte	88.4%	-20	-280	\$886	0.3%	3.1%	-49	-346	0	348
Richmond/Rosenberg	88.0%	50	-210	\$1,061	-1.3%	5.6%	25	160	0	307
Sharpstown/Westwood	90.6%	-30	-40	\$746	0.5%	1.6%	-74	-102	0	0
Sugar Land/Stafford/Sienna	90.5%	70	160	\$1,243	1.8%	3.4%	110	549	0	346
Tomball/Spring	81.6%	170	-500	\$1,163	1.0%	0.9%	311	1,260	0	2,469
U of H/I-45 South	89.8%	-20	60	\$767	0.0%	-1.4%	-37	242	0	144
Westchase	90.8%	30	-50	\$995	3.6%	0.6%	44	-71	0	0
Westpark/Bissonnet	90.2%	-30	-160	\$767	0.3%	-1.4%	-52	-274	0	0
Willowbrook/Champions/Ella	90.0%	40	-10	\$958	0.6%	2.4%	147	699	0	863
Woodlake/Westheimer	90.7%	50	-110	\$988	1.2%	-2.1%	55	-138	0	0
Woodlands/ Conroe South	88.7%	160	-270	\$1,203	1.7%	1.6%	344	688	0	1,384
TOTALS	88.9%	40	-20	\$1,055	1.3%	-0.5%	4,000	12,843	1,255	16,022

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