

# HOUSTON, TX

## 2022 MARKET AT A GLANCE

### Occupancy Rate

94.9%



DOWN 100 BPS YOY

### Effective Rent

\$1,334



UP 7.9% YOY

### Rent Share of Wallet

21.2%



UP 80 BPS YOY

## Renters Target Houston's Urban Core as Economy and Conveniences Return

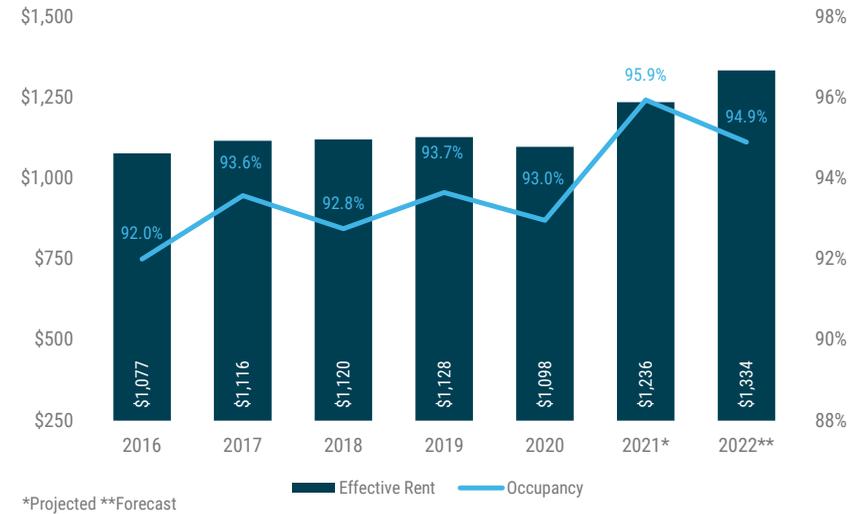
With a rebound in payrolls, apartment operators recorded historic leasing activity across Greater Houston in 2021. The 4.8% increase in nonfarm employment combined with the net in-migration of 39,000 individuals led to nearly 36,900 net units absorbed last year. Robust hiring is forecast to continue this year, underpinning sustained apartment demand. Employers are projected to add approximately 110,600 net jobs, bringing the workforce nearly on par with pre-pandemic levels. Renters are expected to target employment nodes, with leasing activity forecast to be highest in the neighboring Downtown/Montrose/River Oaks and Greater Heights/Washington Avenue submarkets. Also contributing to the elevated leasing activity in these submarkets will be more than 4,000 combined units scheduled to come online over the next four quarters. The additions are part of approximately 17,000 units projected to come online metrowide in 2022. Part of the increase in annual deliveries comes as construction labor shortages and disruptions to the supply chain for building materials delayed the start and completion of several projects last year. These factors may continue to linger in 2022, shifting more projects into next year. Measured deliveries would bode well for apartment operators as metrowide occupancy is forecast to settle at 94.9% in the fourth quarter of 2022, 150 basis points higher than the preceding five-year average. With healthy occupancy amid steady inventory growth, apartment operators are expected to elevate monthly effective rent 7.9% this year.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

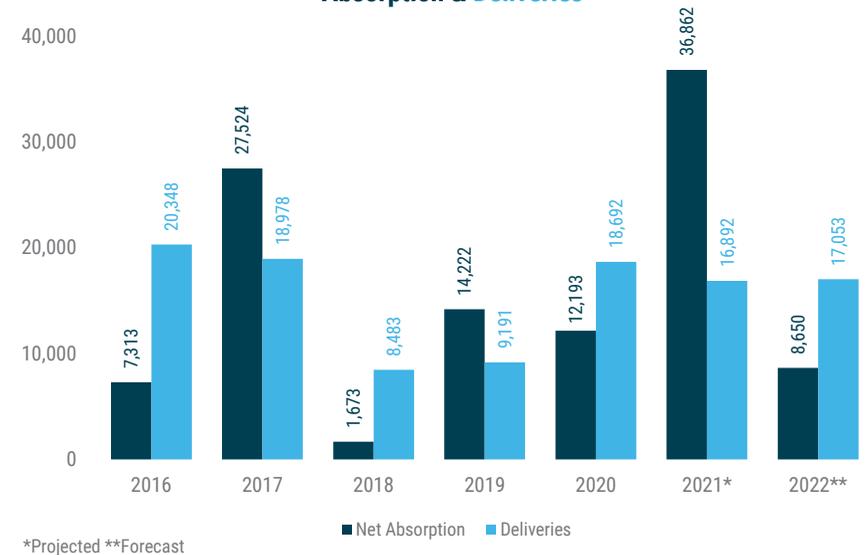
2022 FORECAST

## APARTMENT TRENDS

### Effective Rent & Occupancy

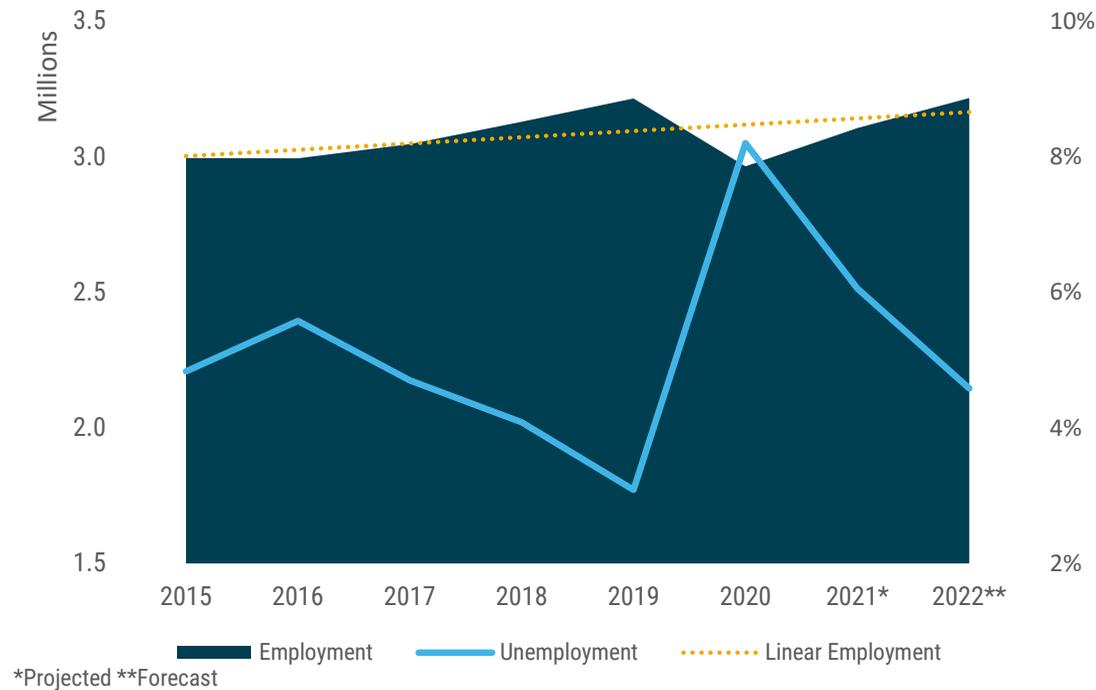


### Absorption & Deliveries



## EMPLOYMENT TRENDS

### Market Employment Trends



## SALES TRENDS

### Price Per Unit & Cap Rate



<p><b>Employment</b></p> <p>3,217,100</p> <p>↑</p> <p>UP 3.6% YOY</p>	<p><b>Unemployment</b></p> <p>4.6%</p> <p>↓</p> <p>DOWN 150 BPS YOY</p>	<p><b>Median Household Income</b></p> <p>\$75,635</p> <p>↑</p> <p>UP 3.8% YOY</p>
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<p><b>Price Per Unit</b></p> <p>\$158,745</p> <p>↑</p> <p>UP 9.1% YOY</p>	<p><b>Cap Rate</b></p> <p>4.8%</p> <p>=</p> <p>UNCHANGED YOY</p>
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