HOUSTON, TX

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
92.2%	$1,398	20.6%
DOWN 50 BPS YOY	UP 2.2% YOY	DOWN 20 BPS YOY

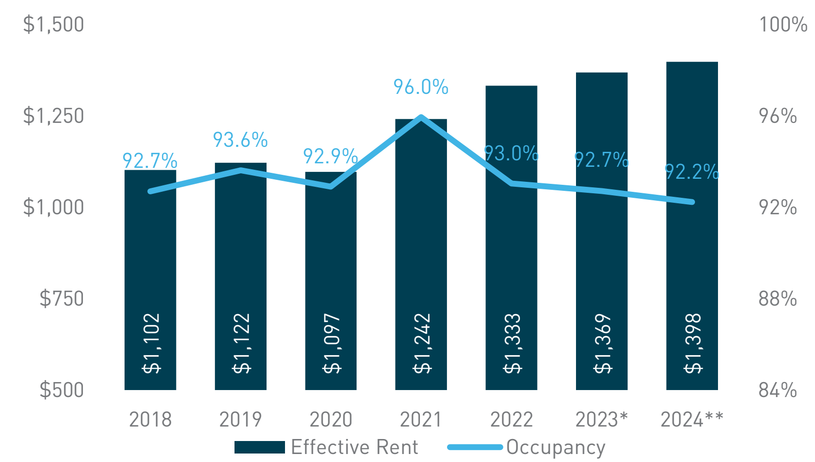
Strong Population Growth and Economic Expansion Drive Houston Apartment Market

Houston is poised to remain one of the top housing markets in the nation, thanks to its affordability compared to other large metros, steady population expansion, and growing job base. Apartment levels of supply and demand are expected to be comparable to 2023, with renters occupying 16,163 net units as developers bring 21,534 units online in 2024. The gap between supply and demand will dampen occupancy by 50 basis points to 92.2% by year end. This variance is no cause for concern, as Houston's occupancy has fluctuated between 91.0% to 93.5% over the past 10 years. In fact, landlords are anticipated to increase the average effective rent 2.2% in 2024 to $1,398 in the fourth quarter. The strength of Houston's multifamily market is built in part on consistent population growth, with an expansion of 1.4% expected for 2024 and net in-migration estimated at nearly 54,000 people. New residents are drawn to abundant jobs and a cost of living that averaged around 28% lower than other metros of comparable size in 2023. Houston's labor market is projected to expand by 1.0% in 2024, adding 35,100 jobs. The trade, transportation, and utilities sector, followed by the private education and healthcare sector will underpin job growth, as both seek to capture Houston's growing consumer base. Trade and transportation employers will leverage Houston's expanding global port. Healthcare and education operations build on the booming life sciences hub that radiates from Texas Medical Center, just south of Midtown, and the metro's burgeoning northwestern suburbs.

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 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

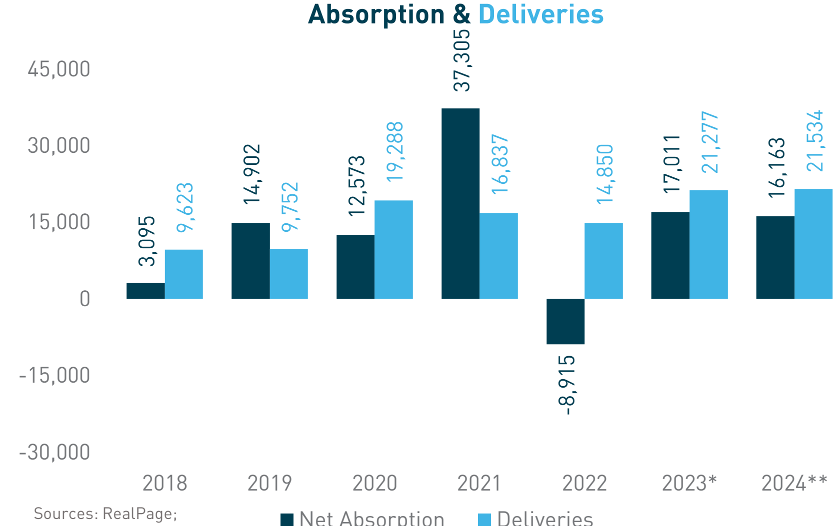


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

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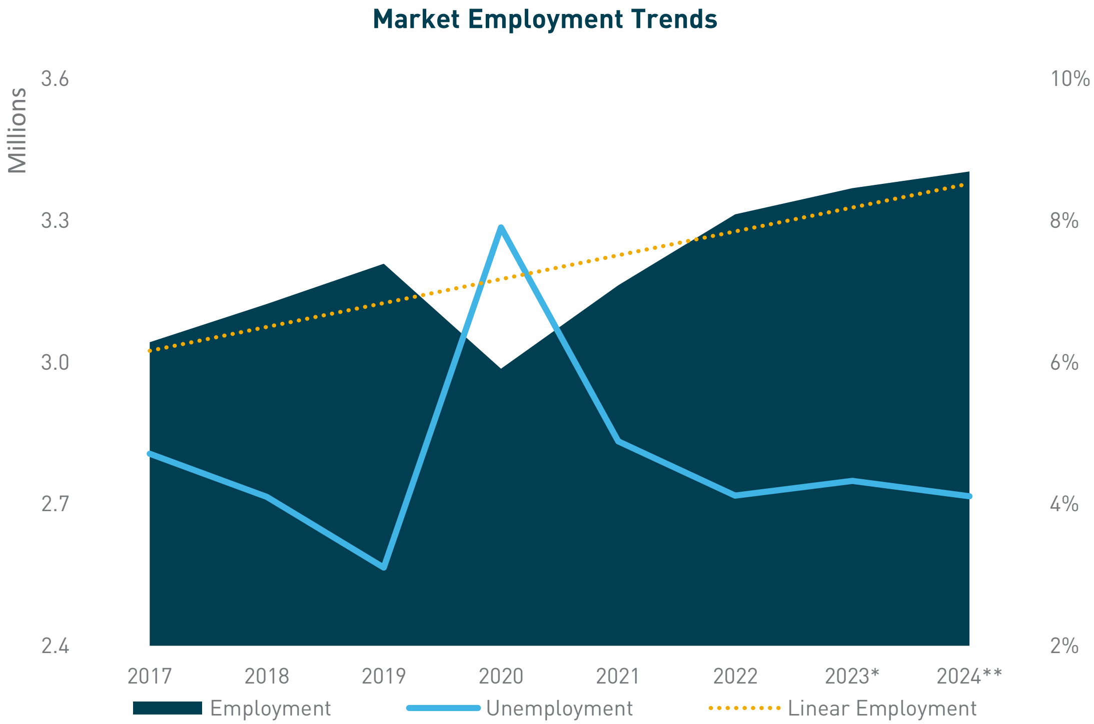
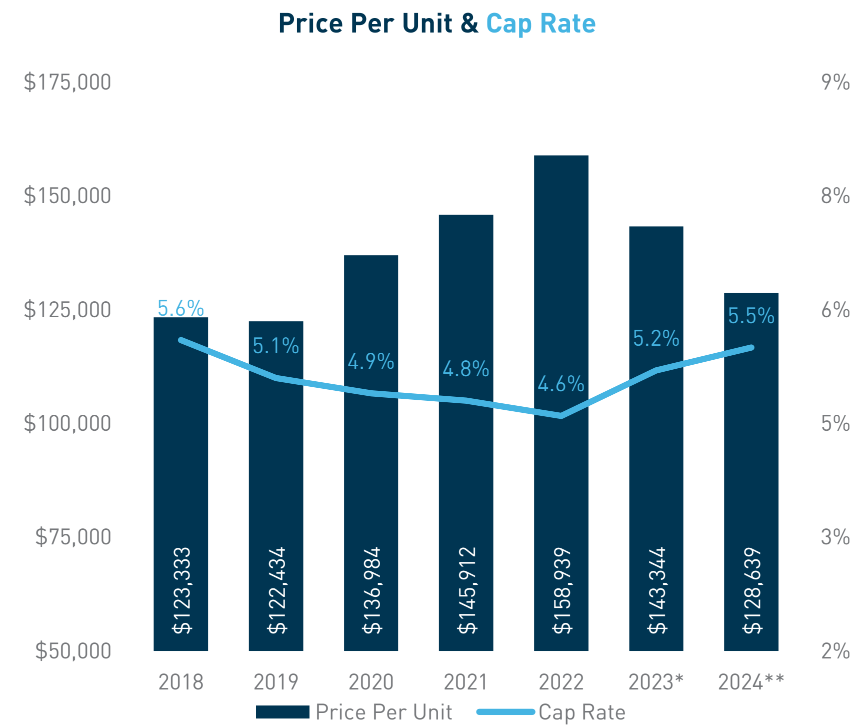
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
3,404,000	4.1%	$81,435	$128,639	5.5%
UP 1.0% YOY	DOWN 20 BPS YOY	UP 3.1% YOY	DOWN 10.3% YOY	UP 30 BPS YOY