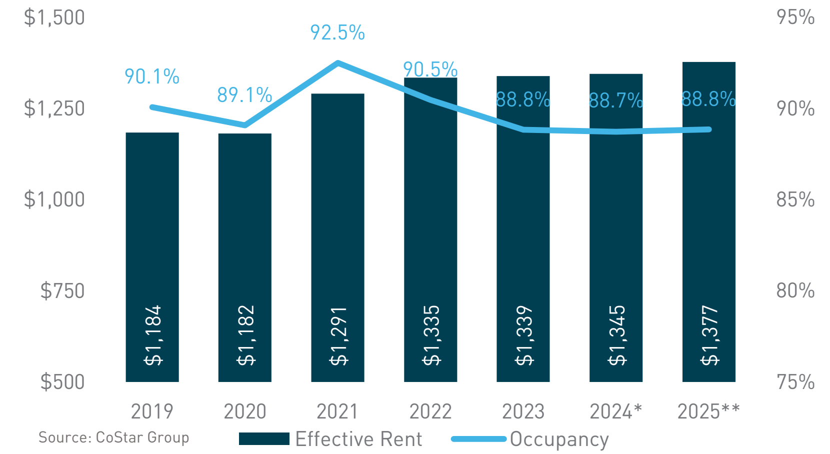
HOUSTON, TX

2025 MARKET AT A GLANCE

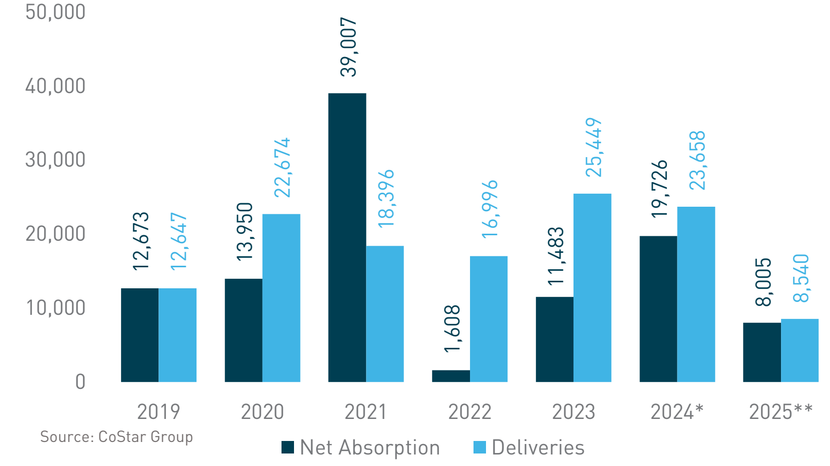
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
88.8%	$1,377	20.0%
UP 10 BPS YOY	UP 2.4% YOY	DOWN 20 BPS YOY

APARTMENT TRENDS



*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.



*Projected **Forecast

Effective Rent to Remain Resilient Amid High Demand

Following three consecutive years of rising new supply, deliveries will begin to taper this year, down 64% year-over-year by the end of 2025. Decreasing deliveries will facilitate a 2.4% increase in effective rent, bolstered by outsized rent growth among the most affordable submarkets. The Houston rent acceleration is projected to outperform one of its Texas peers: Austin, which will post much higher inventory growth in 2025. Effective rent increases across Houston are forecast to continue beyond 2025, coinciding with a momentous upswing in demand levels, which will in turn boost the average occupancy rate. From 2026 through 2028, the market should average around 11,660 net move-ins, closer reflecting the five-year, pre-pandemic average. This will happen in parallel with further reductions in the volume of units delivered, as they are slated to fall below the 2015 to 2019 average at 11,760 per year from 2026 through 2028. Rebalancing supply and demand over the next several years will ensure occupancy recovers from the 2024 dip. As with 2024 and 2025, demand will continue to be high in markets near employers with large expansions and relocations which include Chevron's move of 2,000 headquarter employees and NRG Energy's new headquarters complimenting the significant headquarter moves announced this year in the Energy Corridor and The Woodlands. Even more essential, new projects in Houston's largest suburbs will underpin positive net adsorption. This includes Baytown's 105-acre redevelopment of the former San Jacinto Mall, Clear Lake's new $200 million Space Institute, $1.7 billion in improvements underway at Port Houston, and another $2.6 billion project at George Bush Intercontinental Airport (IAH).

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 2024 are projected values. 2025 figures are forecast projections.

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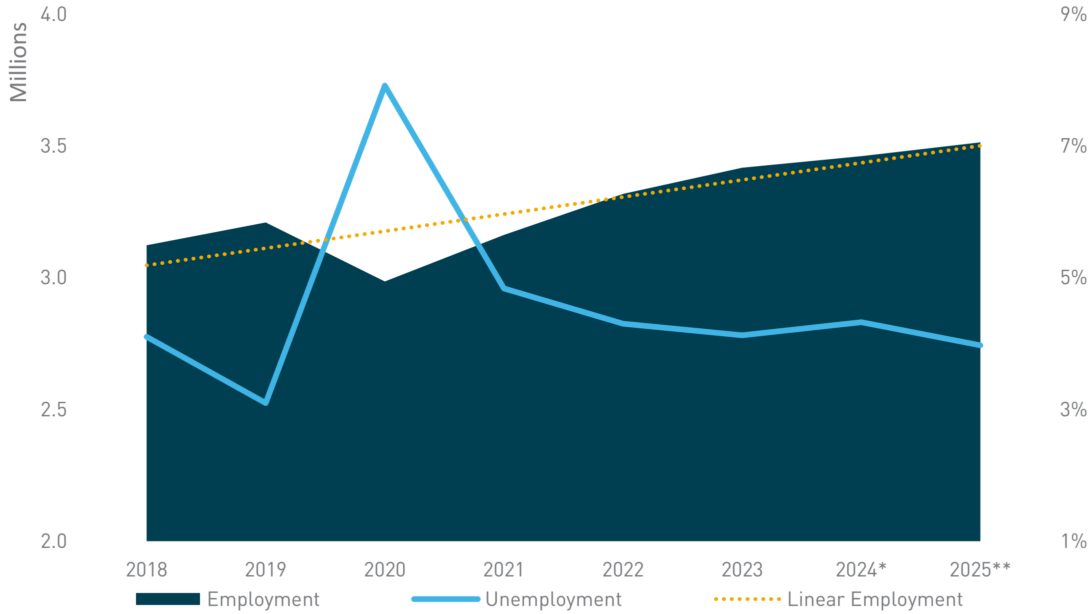
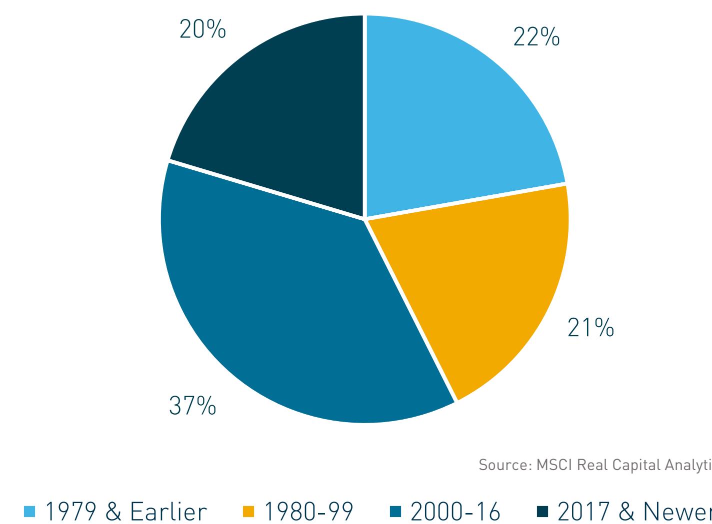
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



Source: MSCI Real Capital Analytics

*YTD through Oct.

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

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
3,513,400	4.0%	$82,552	$146,555	5.8%
UP 1.5% YOY	DOWN 30 BPS YOY	UP 3.3% YOY	DOWN 9.3% YOY	UP 50 BPS YOY