2Q25

Houston Multifamily Market Report

NEWMARK

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NEWMARK

Over 200 Years of Combined Experience

DAVID MITCHELL
Vice Chairman

RUSSELL JONES
Vice Chairman

MATT SAUNDERS
Vice Chairman

THOMAS ALLEMAN
Executive Managing Director

CARTER MIZELL
Director

BRANDON MILLER
Executive Managing Director

BRAD SHAFFER
Executive Managing Director

BEN JOHNSON
Managing Director

JONATHAN POWELL
Transaction Manager

ANTHONY LUKEFAHR
Transaction Manager

TIP STRICKLAND
Vice Chairman

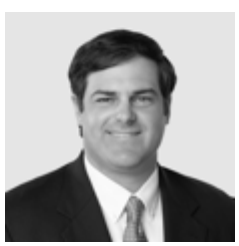
DAVID SCHWARZ
Vice Chairman

PURVESH GOSALIA
Vice Chairman

HOLLAN HENSLEY
Managing Director

JOHN YOUNG
Director

DILLON MILLS
Managing Director



CHET MANNING
Associate Director

Newmark Houston Multifamily Capital Markets Team

Investment Sales

DAVID MITCHELL
Vice Chairman

RUSSELL JONES
Vice Chairman

MATT SAUNDERS
Vice Chairman

THOMAS ALLEMAN
Executive Managing Director

CARTER MIZELL
Director

Equity

BEN JOHNSON
Managing Director

Land

DILLON MILLS
Managing Director

CHET MANNING
Associate Director

Transaction Team

JONATHAN POWELL
Transaction Manager

ANTHONY LUKEFAHR
Transaction Manager

DUNCAN GUINN
Senior Financial Analyst

REESE ELLER
Senior Financial Analyst

CONNOR HANNIGAN
Senior Financial Analyst

GREYSON MATTE
Financial Analyst

Debt & Structured Finance

TIP STRICKLAND
Vice Chairman

DAVID SCHWARZ
Vice Chairman

PURVESH GOSALIA
Vice Chairman

HOLLAN HENSLEY
Managing Director

JOHN YOUNG
Director

KEVIN AMEND
Director

ANDY CAREY
Vice President

HAYDEN HEDRICK
Transaction Manager

TYLER KRULL
Associate

GARRETT REEDY
Financial Analyst

JACKSON SCROGGIE
Financial Analyst

THOMAS MINTON
Analyst

Secondary Markets

BRAD SHAFFER
Executive Managing Director

BRANDON MILLER
Executive Managing Director

TAYLOR GASPARD
Transaction Manager

Marketing

ELIZABETH AHOW
Senior Marketing Coordinator

CLAUDIA VILLA
Senior Marketing Coordinator

SEAN SONNIER
Senior Marketing Coordinator

Operations

AIMEE HAWTHORNE
Senior Business Operations Manager

MELANIE WHATLEY
Transaction Services Specialist

RAMONA VOLOVIK
Transaction Coordinator

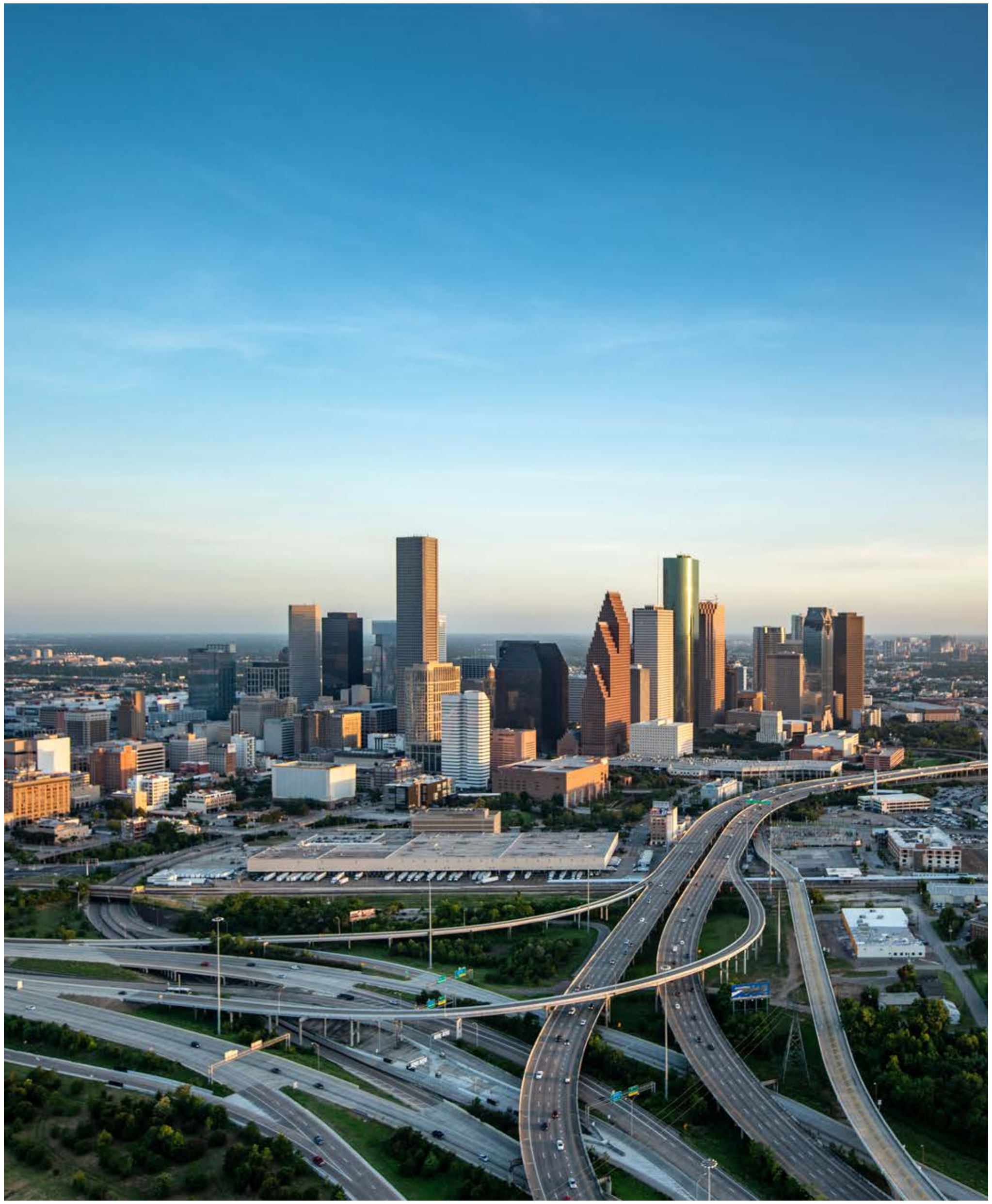
MEREDITH KNIGHT
Transaction Services Coordinator

Ranked by REA as the #1 Multifamily Team in Houston

Houston		2024 Amount ($Mil)	No. of Properties	Market Share (%)
1	**Newmark**	**$1,132.3**	**22**	**37.4**
2	JLL	863.0	13	28.5
3	Berkadia	255.7	5	8.4
4	Marcus & Millichap	223.6	5	7.4
5	Cushman & Wakefield	215.0	4	7.1
6	CBRE	168.3	3	5.6
7	Walker & Dunlop	76.6	2	2.5
8	Eastdil Secured	64.2	1	2.1
9	Colliers	29.4	1	1.0
	BROKERED TOTAL	**3,027.9**	**56**	**100.0**

Newmark holds a **37.4% market share** in Houston, establishing it as the largest and most productive investment sales team in the market.*

*Although Real Estate Alert tracks only transactions over $25M, this list gives a clear picture of market share.



SOURCES: Real Estate Alert, Green Street Featured Insights

02 | Houston Economic Overview

Houston Highlights

Economy

- As the fourth-largest metropolitan statistical area in the U.S., Houston is projected by Moody's Analytics to add 405,000 residents by 2029. Texas is home to four of the nation's 10 highest-growth counties, including two in the Houston MSA.
- Houston ranks third in most Fortune 500 headquarters nationally, with three additional headquarters relocating to Houston in 2025.
- The Houston region consistently ranks in the top five U.S. markets for employment growth, with Moody's Analytics forecasting Houston to be first from 2025 to 2029, with an annual average job increase of 42,000.
- Oil and gas employment is currently 25% below its peak during the fracking boom a decade ago. Despite this, total employment growth for Houston has surpassed 497,000 over the last 10 years, reflecting significant expansion in other sectors.
- With elevated mortgage rates and near record-high Houston home values, the average monthly PITI payment is $3,806— nearly three times the average multifamily rent of $1,277 and over double the average Class A rent of $1,744.

Multifamily

- Effective rents rose by 0.2% YTD through 2Q25. Houston's strong population and employment growth, coupled with an undersupply of new construction, have pushed rents higher. AxioMetrics projects positive rent growth in every Houston submarket from 2026 to 2029.
- Class A absorption remains robust, with 19,064 units absorbed over the past 12 months—exceeding the 10-year average of 13,734 units. The final 2024 Class A absorption tally was a 44.4% increase over the previous five-year average of 14,759 units.
- Currently, 13,237 units are under construction in Houston, representing 6.6% of the MSA's total Class A inventory of 201,769 units. **This construction level is lower than Dallas at 7.7%, San Antonio at 9.8%, and Austin at 11.9%.**
- Total 2025 transactions are projected to exceed 2024 by 6.3%, driven by interest rate compression and downward cap rate pressure.

SOURCES: Texas Workforce Commission, TMC, Newmark, TWC, U.S. Census Bureau, Apartment Data Services, Moody's Analytics, CoStar

Houston Remains a Favored Investment Market

ECONOMIC & OPERATIONAL STRENGTH

#1 Population Growth 2025 – 2029[1]

#3 In the U.S. in Absorption in 2Q25

#1 Employment Growth 2025 – 2029[1]

#1 Rent Growth in Sunbelt 2024-2028[2]

GLOBAL CITY

#1 U.S. Exporter

90+ Foreign Consulates

2 International Airports

4th Largest U.S. City

The nation's fourth-largest city has developed a cultural identity and way of life that is uniquely "Houston". **Home to one of the world's youngest, fastest-growing and most diverse populations**, Houston is home to **world-changing innovations in energy, aerospace and healthcare.** Science and engineering breakthroughs are ingrained in the fabric of Houston's economy, and the region is fast-becoming **a hub for high-tech companies, entrepreneurship, and talent.**

HOME TO:

- WORLD'S LARGEST MEDICAL CENTER
- NASA'S JOHNSON SPACE CENTER AND HOUSTON SPACEPORT
- 26 FORTUNE 500 HEADQUARTERS

POPULATION

7.5M Residents

1 in 4 Houstonians are foreign-born

SOURCES: [1]Moody's Analytics, [2]RealPage Analytics

Major Technology Companies Investing in Northwest Houston

Long overshadowed by tech hubs such as Austin, Houston is stepping onto the stage for a manufacturing resurgence that could create thousands of jobs and spur demand for industrial real estate and housing near new factories. Recent investments by **Apple** and **Nvidia** suggest a structural expansion in Houston's manufacturing sector, particularly around hardware powering artificial intelligence development.

Nvidia announced in April 2025 that it would establish an AI supercomputer factory in Houston within the next 12 to 15 months, while Apple is planning to open a 250,000-square-foot AI server facility by 2026.

Both of these developments are expected to open in Northwest Houston, resulting in massive economic and job growth.

NVIDIA®

SOURCE: Houston Chronicle

Nation-Leading Projected Population Growth

	Metro (2025-2029)	Population Growth (ths)	Population Growth	Average Annual Gain/Loss[1]
1	**Houston**	**405.2**	**5.1%**	**101.3**
2	Dallas	298.7	5.2%	74.7
3	Atlanta	177.3	3.5%	44.3
4	Phoenix	175.7	3.3%	43.9
5	Tampa	77.3	3.1%	19.3
6	Denver	71.9	2.3%	18.0
7	Minneapolis	71.8	1.9%	18.0
8	Miami	71.8	2.5%	17.9
9	Seattle	61.1	2.6%	15.3
10	Riverside	49.9	1.0%	12.5
11	Boston	10.1	0.5%	2.5
12	San Francisco	-1.1	-0.1%	-0.3
13	Baltimore	-3.4	-0.1%	-0.8
14	San Diego	-6.8	-0.2%	-1.7
15	Washington D.C.	-10.2	-0.6%	-2.6
16	Los Angeles	-13.2	-0.1%	-3.3
17	Philadelphia	-30.3	-1.4%	-7.6
18	New York	-70.4	-0.6%	-17.6
19	Detroit	-73.8	-4.2%	-18.4
20	Chicago	-131.6	-1.8%	-32.9

– According to Moody's Analytics, **Houston ranks first among the 20 largest U.S. metros** for population growth from 2025 to 2029 with a staggering projection of 405,000 people. This estimate exceeds the next highest metro by over 106,000 people.

– Since 2018, Houston has achieved an annual population growth rate of 1.5% and is expected to grow by an average of 1.0% per year over the next five years.

SOURCES: Moody's Analytics, U.S. Census Bureau, [1]Represents 4 Years, from the Start of 2025 to Start of 2029

Top Projected Net Migration

	Metro (2025-2029)	2025-2029 Net Migration (ths)	2025-2029 Average Annual Net Migration (ths)[1]
1	**Houston**	**299.7**	**59.9**
2	Dallas	214.9	43.0
3	Phoenix	162.5	32.5
4	Atlanta	134.7	26.9
5	Tampa	103.7	20.7
6	Miami	63.4	12.7
7	Minneapolis	46.7	9.3
8	Seattle	44.7	8.9
9	Denver	41.1	8.2
10	Riverside	19.3	3.9
11	Boston	9.3	1.9
12	Baltimore	1.2	0.2
13	San Francisco	-6.1	-1.2
14	Washington D.C.	-24.3	-4.9
15	Philadelphia	-51.4	-10.3
16	San Diego	-61.2	-12.2
17	Detroit	-85.9	-17.2
18	Los Angeles	-127.6	-25.5
19	Chicago	-173.2	-34.6
20	New York	-252.4	-50.5

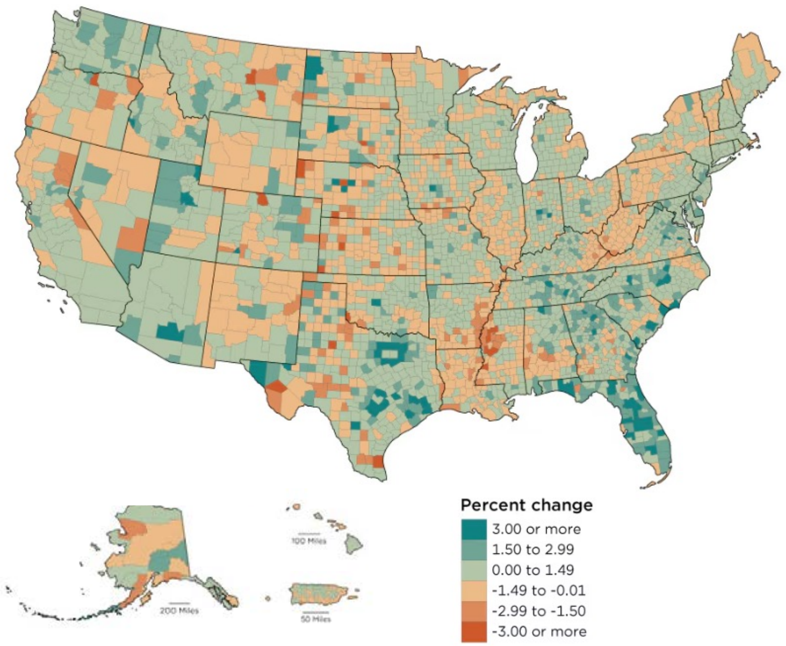
– **Moody's Analytics ranks Houston first among the 20 largest U.S. metros** for projected net migration from 2025 to 2029.

– Nearly 300,000 people are expected to move to the Houston metro during this period, averaging 60,000 new residents per year.

SOURCE: Moody's Analytics. [1]Represents 5 Years, from the Start of 2025 to End of 2029

Counties With Highest Population Growth in The Nation

Rank	State	County	Jul-23	Jul-24	Numeric Growth	Percent Growth
1	**Texas**	**Harris**	**4,903,450**	**5,009,302**	**105,852**	**2.16%**
2	Florida	Miami-Dade	2,774,250	2,838,461	64,211	2.31%
3	Arizona	Maricopa	4,615,625	4,673,096	57,471	1.25%
4	Texas	Collin	1,207,964	1,254,658	46,694	3.87%
5	Nevada	Clark	2,354,285	2,398,871	44,586	1.89%
6	Washington	King	2,296,813	2,340,211	43,398	1.89%
7	Illinois	Cook	5,142,522	5,182,617	40,095	0.78%
8	Florida	Broward	2,002,786	2,037,472	34,686	1.73%
9	**Texas**	**Montgomery**	**715,345**	**749,613**	**34,268**	**4.79%**
10	Texas	Tarrant	2,197,915	2,230,708	32,793	1.49%

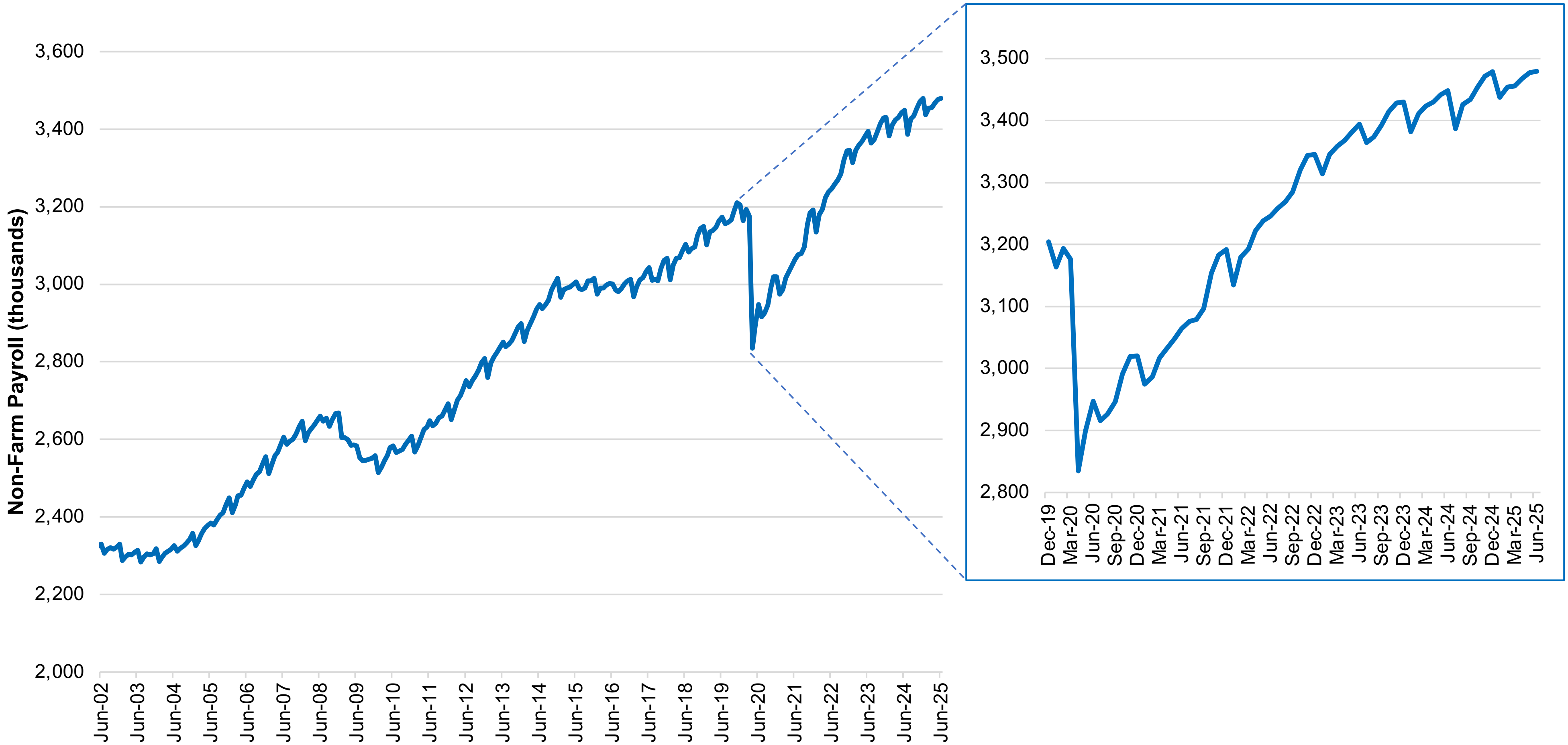


- According to Moody's Analytics, **Houston ranks first among the 20 largest U.S. metros** for population growth from 2025 to 2029 with a staggering projection of 405,000 people. This estimate exceeds the next highest metro by over 106,000 people.
- Since 2018, Houston has achieved an annual population growth rate of 1.5% and is expected to grow by an average of 1.0% per year over the next five years.

SOURCE: U.S. Census Bureau

Metro Employment Update

Houston Historical Non-Farm Payroll



– In June 2025, the U.S. Bureau of Labor Statistics reported a monthly gain of 2,300 jobs in Houston, marking the **highest non-farm payroll figure in the city's history**.

– Houston, which lost 359,000 jobs during the pandemic, has added back 644,700 jobs as of June 2025—recovering ~180% of jobs lost.

– **The city saw record-breaking annual job growth**, adding over 172,000 jobs in 2021 and 153,000 jobs in 2022, the highest levels since 1990. Over the past 12 months, Houston added more than 31,000 jobs.

SOURCES: U.S. Bureau of Labor Statistics, Greater Houston Partnership, Texas Workforce Commission

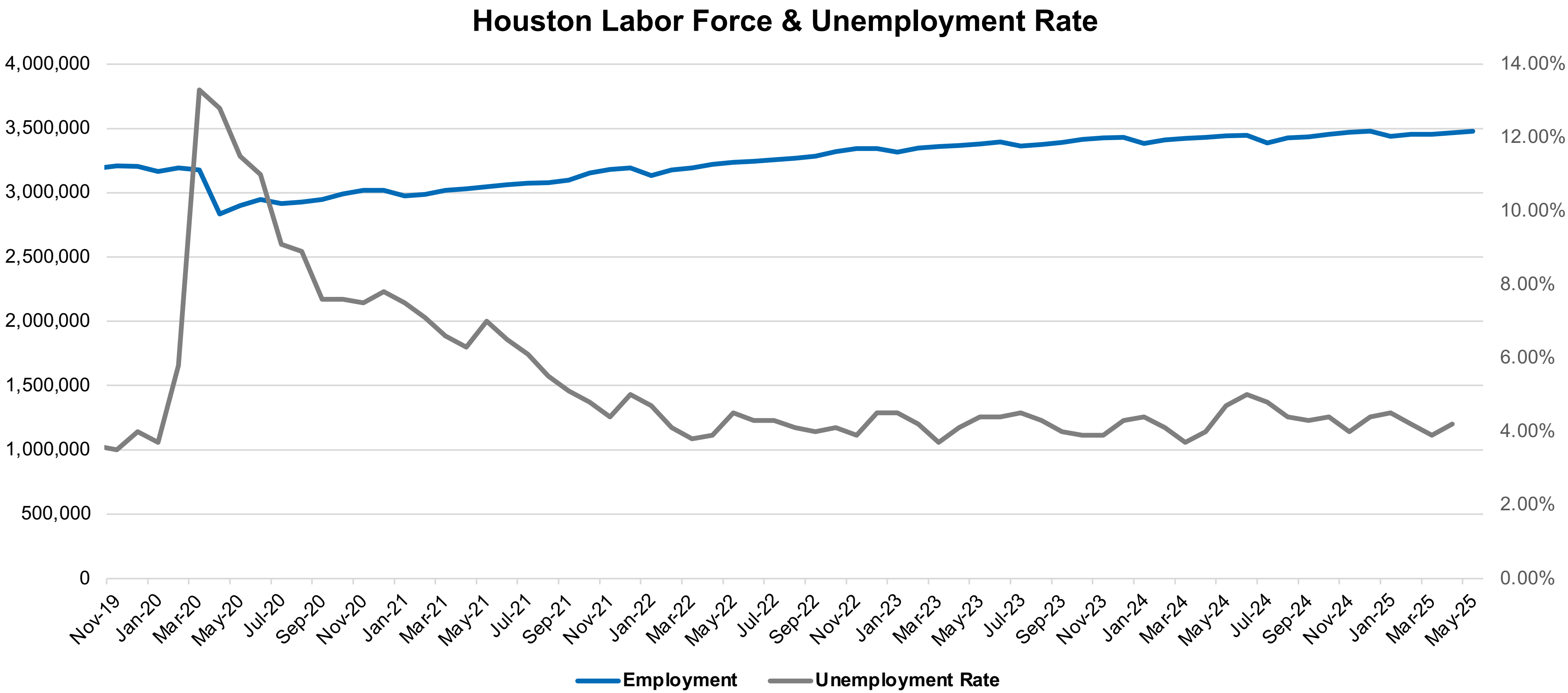
Metro Employment Update

	Metro (2025-2029)	Employment Growth (ths)	Employment Growth	Average Annual Job Growth
1	**Houston**	**169.0**	**4.8%**	**42.3**
2	Dallas	160.2	5.2%	40.0
3	Phoenix	109.0	4.4%	27.2
4	Atlanta	90.5	3.6%	22.6
5	Denver	54.9	3.4%	13.7
6	Minneapolis	51.5	2.6%	12.9
7	Seattle	41.2	2.7%	10.3
8	Los Angeles	40.8	0.9%	10.2
9	Tampa	40.6	3.8%	10.1
10	Miami	34.7	2.6%	8.7
11	Riverside	26.3	1.5%	6.6
12	San Diego	16.0	1.0%	4.0
13	San Francisco	13.8	1.2%	3.5
14	Boston	10.3	0.8%	2.6
15	Chicago	9.0	0.2%	2.2
16	Philadelphia	5.9	0.6%	1.5
17	Baltimore	4.4	0.3%	1.1
18	Detroit	-14.6	-1.9%	-3.6
19	New York	-17.9	-0.3%	-4.5
20	Washington D.C.	-32.1	-2.8%	-8.0

Moody's Analytics projects that Houston will add 169,000 jobs from 2025 to 2029, ranking first in projected employment growth nationwide.

SOURCE: Moody's Analytics [1]Represents 4 Years, from the Start of 2025 to Start of 2029

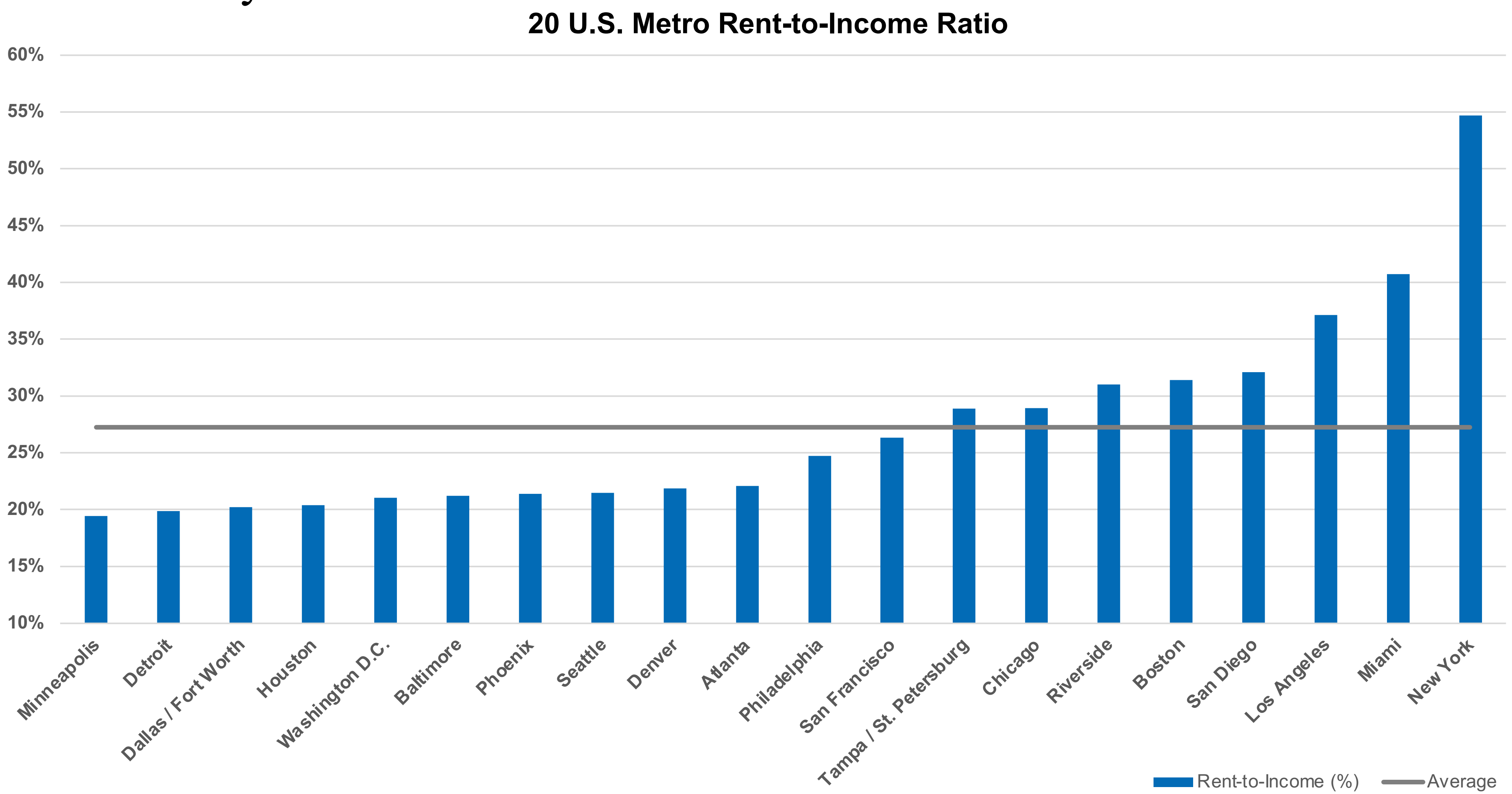
Metro Employment Update



- In May 2025, Houston's MSA unemployment rate was 4.2%, 1.3% below the monthly average since the pandemic's onset.
- Statewide, Texas recorded a 4.1% unemployment rate, down significantly from its peak of 12.8% in April 2020.
- Nationally, U.S. unemployment stood at 4.2% in May 2025, a sharp decline from the high of 14.7% in April 2020.

SOURCE: U.S. Bureau of Labor Statistics

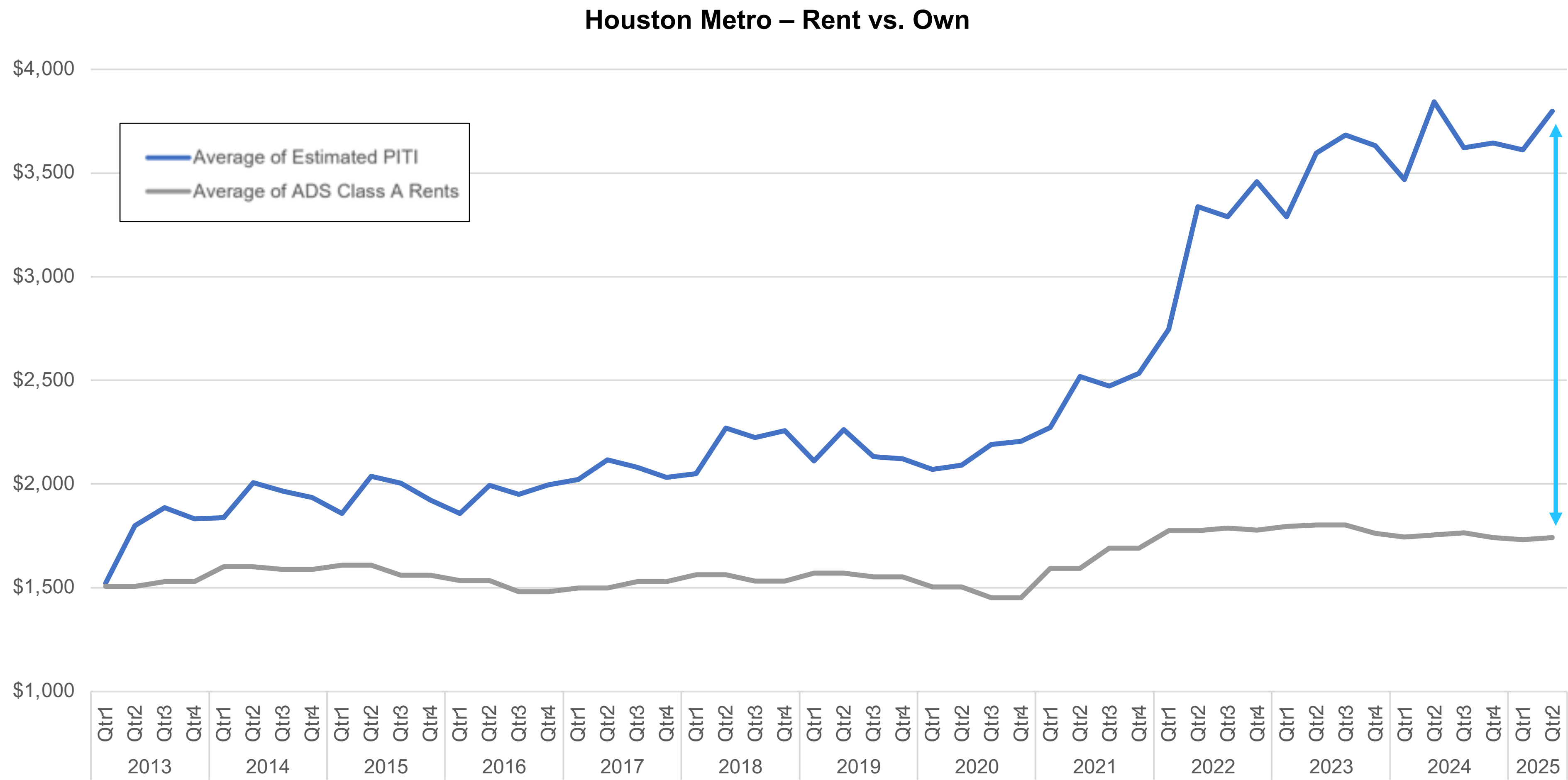
Affordability Metrics



– Among the 20 largest U.S. metros, **Houston ranks fourth in projected rental affordability**, with a rent-to-income ratio of 20.4%, well below the 20 U.S. metro average of 27.3%.

SOURCE: Green Street

Single-Family Market



- Near-record home values and high interest rates have driven average mortgage payments significantly above multifamily rents, highlighting the relative affordability of renting over home ownership.

- In Houston, the average monthly PITI payment is $3,806— nearly three times the average multifamily rent of $1,277 and over double the average Class A rent of $1,744. **The affordability gap between Class A rents and the estimated PITI for new homebuyers is close to its widest point in recent history.**

SOURCES: Texas Real Estate Research Center, Freddie Mac, Apartment Data Services

PITI ESTIMATE ASSUMPTIONS: 10% down payment, homeowner’s insurance at 1% of home value, mill rate of 2.25%, PMI of $50/month

Diversifying Economy & Energy Transition Leader

Although Houston's oil and gas sector remains integral to the economy, the city has strategically diversified, branching into life sciences, aerospace, global trade, advanced manufacturing, and logistics.

Oil and gas employment is now 25% below the peak levels seen during the fracking boom 10 years ago. **Despite these reductions, Houston's overall employment has surged by more than 497,000 over the same period, reflecting robust growth across other industries.** This diversification has reduced the city's vulnerability to the cyclical nature of oil and gas.

Houston is also committed to pioneering the energy transition, with initiatives in carbon capture, biofuels, energy storage, geothermal, solar, wind, and hydrogen. Recent projects announced by the Greater Houston Partnership include:

- Building the first U.S. Alkaline Electrolyzer Gigafactory in Baytown (Belgian-based John Cockerill)
- Developing a solar panel manufacturing plant in Tomball (China-based Imperial Star Solar)
- Constructing a 134-megawatt solar power plant and storage facility in Liberty County (Canada's Recurrent Energy)
- Beginning construction on a battery component manufacturing plant in LaPorte (Orion S.A.)
- Opening an office for a leading carbon-capture solutions provider at the Ion (U.K.-based Carbon Clean)

"And as the world moves to a low-carbon energy future, Houston has positioned itself to lead the transition. **All these shifts have made Houston less vulnerable to the boom-and-bust cycles of the past and laid the foundation for future growth.**"

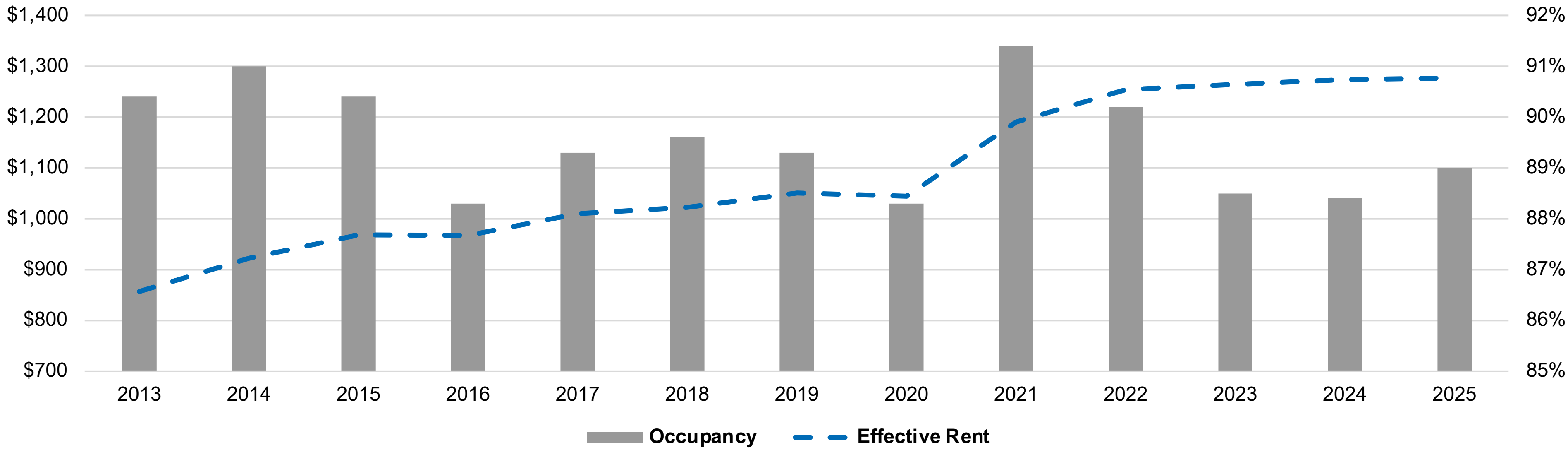
– Greater Houston Partnership

SOURCE: Greater Houston Partnership

03 | Houston Multifamily Overview

NEWMARK

Historic Houston Multifamily Fundamentals



Year	Total Units	New Supply	Class A Units Absorbed	Occupancy	Effective Rent	Effective Rent Growth
2013	579,519	12,314	3,018	90.4%	$857	6.3%
2014	593,044	17,472	4,788	91.0%	$923	7.7%
2015	611,822	20,679	6,141	90.4%	$968	4.9%
2016	632,034	21,704	8,484	88.3%	$967	-0.1%
2017	644,425	14,094	13,432	89.3%	$1,010	4.5%
2018	652,448	5,656	7,028	89.6%	$1,023	1.3%
2019	670,609	17,234	8,527	89.3%	$1,051	2.7%
2020	691,364	22,678	12,142	88.3%	$1,044	-0.7%
2021	710,759	20,085	23,682	91.4%	$1,190	14.0%
2022	726,082	16,376	13,553	90.2%	$1,254	5.4%
2023	752,850	19,301	15,891	88.5%	$1,264	0.8%
2024	775,752	19,130	21,307	88.4%	$1,274	0.8%
2025	781,386	11,344*	16,730**	89.0%	$1,277	0.2%
10-Year Avg.	**686,815**	**17,694**	**13,019**	**89.4%**	**$1,105**	**3.4%**

* Projected 2025 Deliveries
** Annualized Class A Absorption

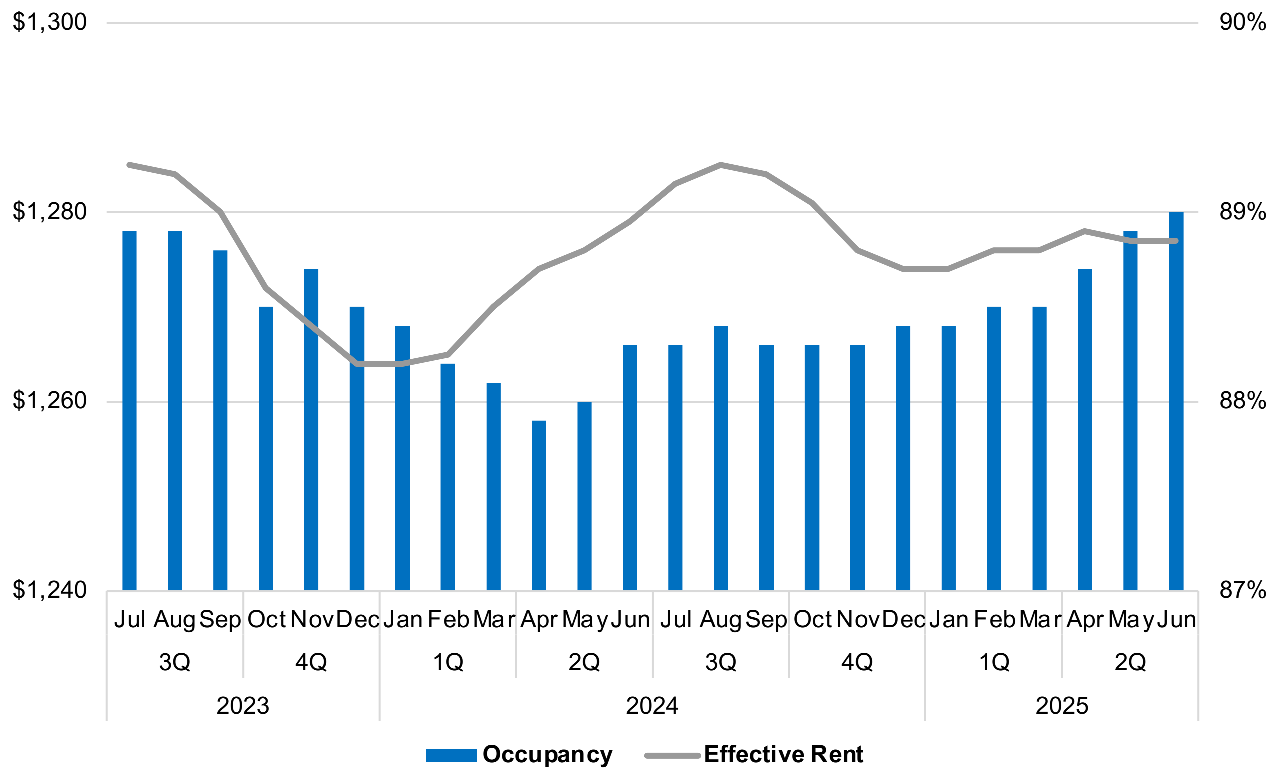
SOURCES: Apartment Data Services, Newmark

Multifamily Market Performance - All Classes

Market Snapshot

# of Properties	3,301
# of Units	781,386
Average Rent	$1,277
Average Rent per SF	$1.42
Average Occupancy	89.0%

All Classes Effective Rent & Occupancy



– Effective rents for all classes have increased by 0.2% year-to-date in 2025, while occupancy remained steady at 89.0%.

– Houston stands out as the only major Texas MSA with positive rent growth year-to-date in 2025.

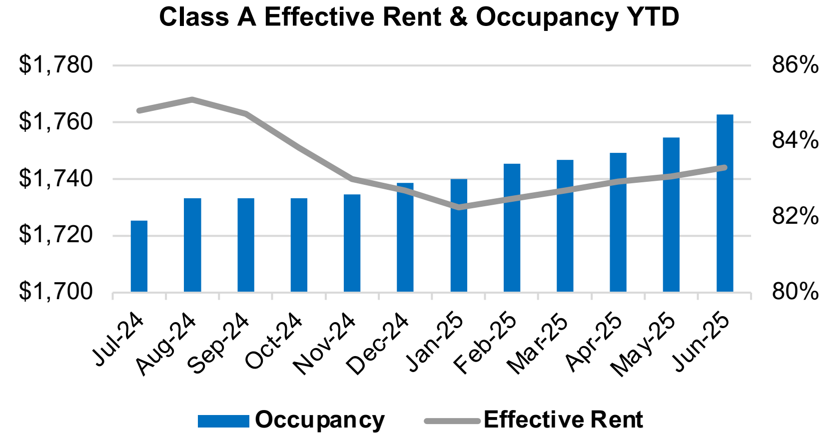
– Across the MSA, effective rents have risen by 5.1% since the start of 2022. Houston's strong population and employment growth, coupled with limited new construction, continues to drive upward pressure on rents.

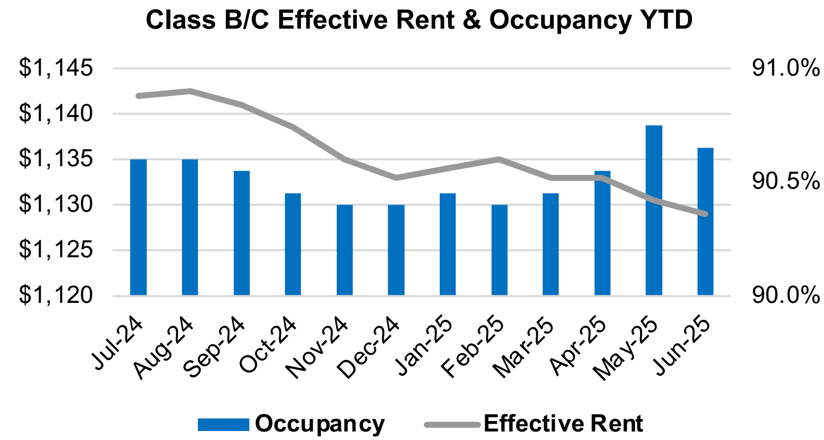
SOURCES: Apartment Data Services, AxioMetrics, Newmark

Multifamily Market Performance By Class

Market Snapshot	Class A	Class B	Class C
# of Properties	783	1,258	892
# of Units	202,066	304,632	214,359
Average Rent	$1,744	$1,268	$989
Average Rent PSF	$1.84	$1.41	$1.16
Average Occupancy	90.5%*	91.1%	90.4%

*Occupancy based on stabilized properties





– Demand for Class A properties is bolstered by limited new construction and rising single-family home prices. In the trailing 12 months, Class A assets absorbed 19,064 out of 201,769 units, representing approximately 9.4% of total Class A inventory.

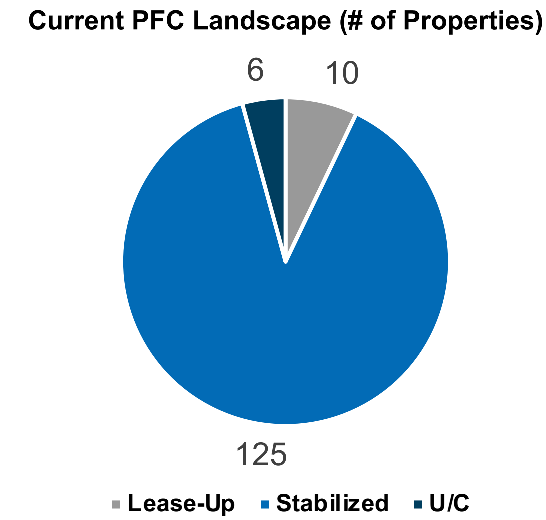
– During the pandemic, Class B and C rents remained relatively stable, with only slight decreases of 1.42% and 0.24%, respectively. Occupancy for Class B and C assets has consistently stayed above 90% over the past two years.

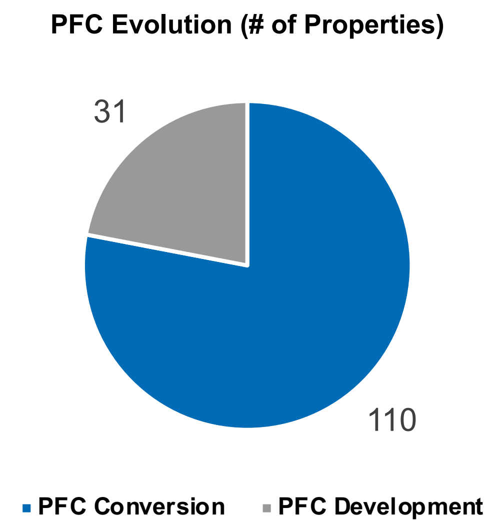
SOURCE: Apartment Data Services

PFC Structure Market Snapshot

PFC Market Snapshot	PFC - All	PFC - Class A	PFC - Class B
# of Properties	135	108	27
# of Units	38,190	30,001	8,189
Average Unit Size	897	899	889
Average YOC	2007	2014	1983
Average Eff. Rent	$1,342	$1,388	$1,159
Average Eff. Rent PSF	$1.51	$1.56	$1.31
Average Occupancy*	92.34%	92.45%	91.96%

*Occupancy based on stabilized properties





– There are currently 38,190 PFC units in the MSA, representing ~4.9% of the current Houston stock. Six additional PFC development projects are currently under construction with anticipated deliveries in 2025 and 2026.

– The PFC market segment is outperforming the total Class B market segment by 1.3% with regard to occupancy. As expected, given affordability requirements, effective rents are approximately 15.2% and 8.1% less than total market Class A and B rents, respectively.

SOURCE: Apartment Data Services

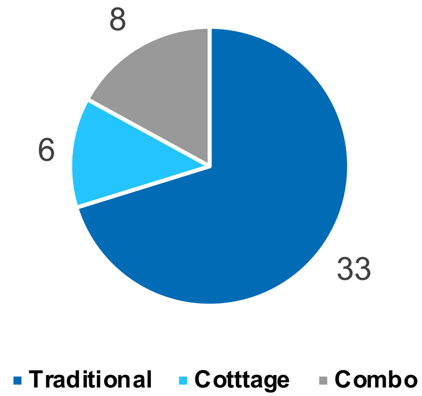
55+ Active Adult Market Snapshot

Market Snapshot

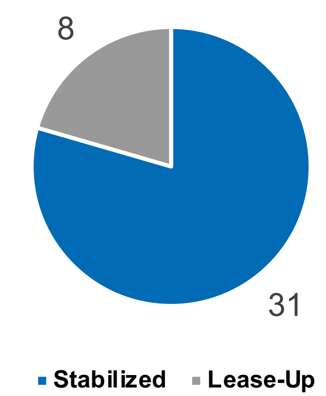
# of Properties	39
# of Units	6,298
Average Unit Size	936
Average YOC	2016
Average Eff. Rent	$1,776
Average Eff. Rent PSF	$1.90
Average Occupancy*	93.0%

*Occupancy based on stabilized properties

Active Adult Product Type (# of Properties)



Active Adult Occupancy Status

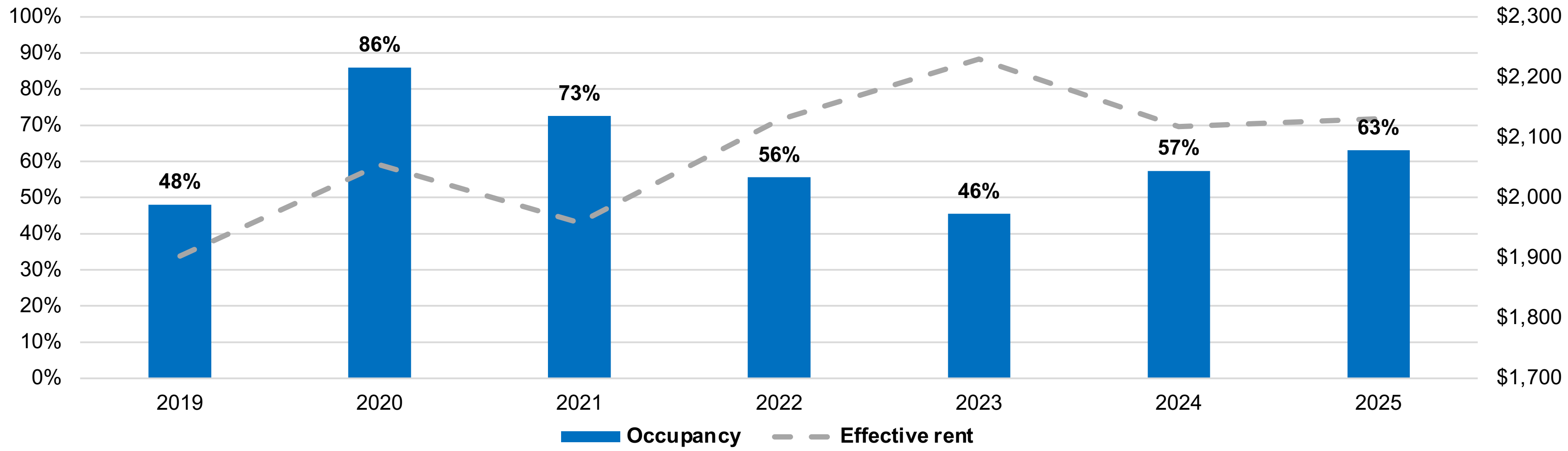


– There are currently 6,298 Active Adult units in the MSA, representing 0.8% of the current Houston stock.

– The Active Adult market is outperforming the total Houston occupancy and the average Class A occupancy by 4.4% and 2.2%, respectively. Active Adult effective rents are 2.6% higher than the Houston Class A average and 39.4% higher than the average Houston MSA effective rents. Effective rents PSF are $0.08 higher than the average Class A market and $0.48 higher than the average Houston MSA.

SOURCE: Apartment Data Services

Historic Houston Single Family Rentals Fundamentals



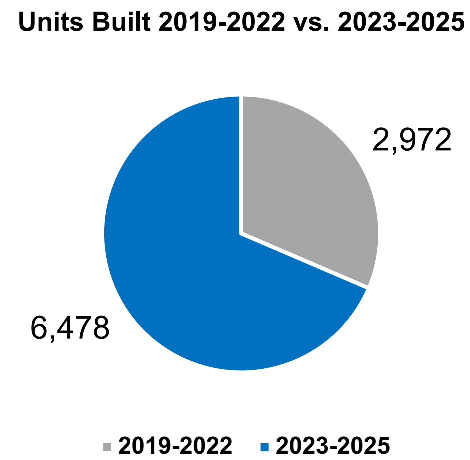
Year	Total Units	New Supply	Units Absorbed	Occupancy	Effective Rent
2019	322	580	155	48.1%	$1,903
2020	364	1,799	159	86.0%	$2,054
2021	902	3,919	342	72.6%	$1,958
2022	2,163	5,594	547	55.6%	$2,129
2023	4,821	4,206	989	45.5%	$2,230
2024	7,276	2,644	1,985	57.4%	$2,118
2025	9,450	1,701	3,573*	63.1%	$2,131

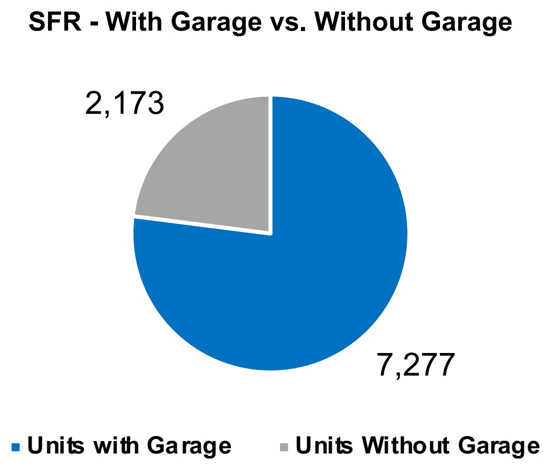
*2025 Units Absorbed is annualized absorption

SOURCES: Apartment Data Services, Newmark

Single Family Rentals Current Market Snapshot

SFR Market Snapshot	SFR – All	Attached Garage Product	Cottage Style Product
# of Properties	55	45	10
# of Units	9,450	7,277	2,173
Average Unit Size	1,553	1,669	1,032
Average YOC	2023	2023	2023
Average Effective Rent	$2,131	$2,228	$1,695
Average Effective Rent PSF	$1.41	$1.36	$1.67
Average Occupancy	63%	63%	64%





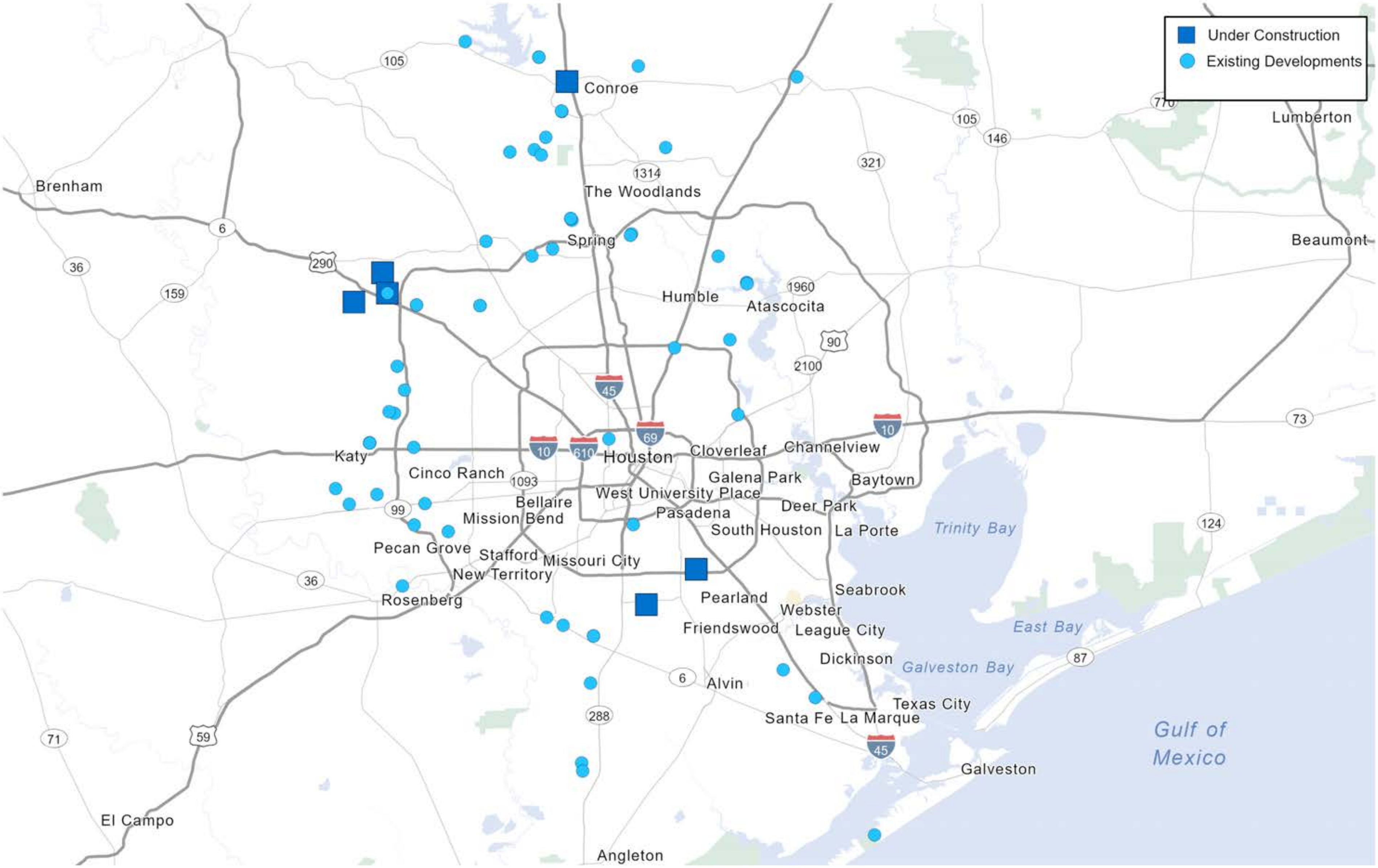
SOURCE: Apartment Data Services

Single Family Rentals Current Market Snapshot (continued)

SFR Market Snapshot	SFR – All	SFR – Amenitized	SFR - Non-Amenitized
# of Properties	55	46	9
# of Units	9,450	7,237	2,238
Average Unit Size	1,553	1,609	1,282
Average YOC	2023	2022	2023
Average Effective Rent	$2,131	$2,170	1,852
Average Effective Rent PSF	$1.41	$1.38	$1.49
Average Occupancy	63%	64%	65%

SOURCE: Apartment Data Services

Single Family Rental Property Locations



NOTE: This map was produced using reliable private and government sources. This information is provided without representation or warranty.

2Q25 Effective Rent Growth and 2026–2029 Projections

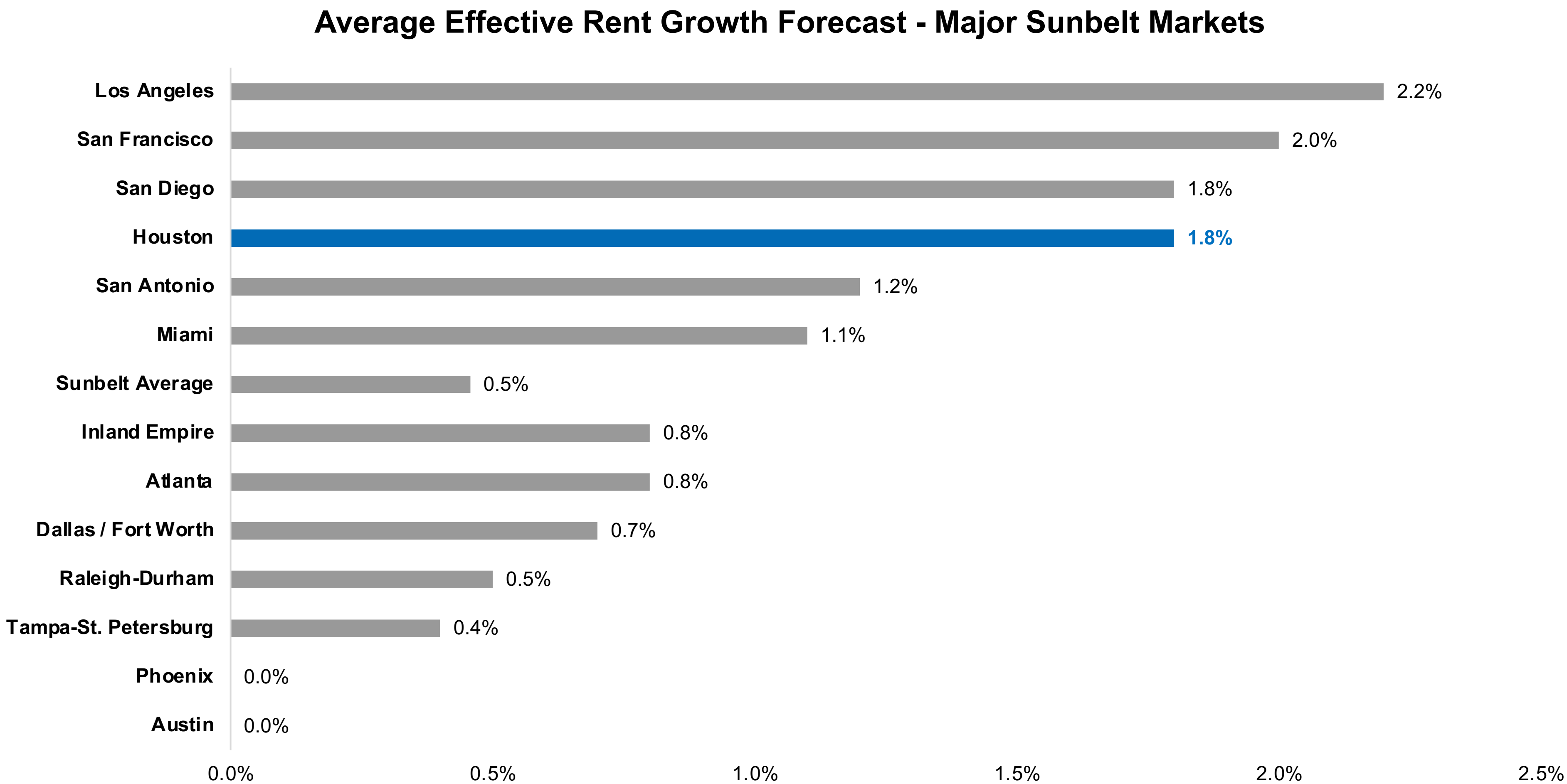
Axio Submarket	2Q25	2025	2026-2029
Baytown	3.1%	4.2%	2.8%
West University/Medical Center/Third Ward	1.6%	-0.1%	1.4%
Downtown/Montrose/River Oaks	1.6%	-0.9%	0.9%
Greenway/Upper Kirby	1.1%	-0.6%	1.2%
North Central Houston	1.0%	0.8%	2.4%
Alief	0.7%	0.0%	2.3%
Rosenberg/Richmond	0.6%	1.0%	2.8%
Brazoria County	0.6%	0.6%	2.1%
Gulfton/Westbury	0.4%	0.1%	2.1%
Sharpstown/Fondren Southwest	0.2%	0.9%	2.4%
Humble/Kingwood	0.2%	1.1%	2.7%
Pasadena/Southeast Houston	0.1%	-0.6%	2.1%
Spring/Tomball	-0.2%	1.4%	2.7%
East Inner Loop	-0.3%	-1.0%	0.8%
Clear Lake	-0.4%	1.0%	2.4%
Houston MSA	**-0.6%**	**0.4%**	**2.1%**
Northeast Houston	-0.6%	-0.1%	1.8%
Sugar Land/Stafford	-0.8%	1.4%	2.9%

Axio Submarket	2Q25	2025	2026-2029
Galveston/Texas City	-0.8%	1.1%	2.4%
Galleria/Uptown	-1.0%	-1.5%	0.6%
Braeswood Place/Astrodome/South Union	-1.1%	-0.2%	1.4%
Friendswood/Pearland	-1.2%	1.1%	2.4%
Hobby Airport	-1.3%	0.7%	1.9%
Champions East	-1.3%	-0.9%	2.0%
Conroe/Montgomery County	-1.3%	0.0%	2.6%
Bear Creek	-1.4%	0.5%	2.4%
The Woodlands	-1.4%	1.5%	3.3%
Memorial	-1.4%	0.1%	1.8%
Greater Heights/Washington Avenue	-1.5%	-0.7%	1.2%
Far West Houston	-1.6%	0.2%	2.0%
Champions West	-1.7%	1.2%	2.5%
Northwest Houston	-1.7%	1.6%	2.6%
Westchase	-2.1%	0.3%	1.8%
Spring Branch	-2.3%	0.7%	1.9%
Katy	-2.7%	0.6%	2.9%
Cypress/Waller	-2.9%	-0.8%	1.9%

- According to AxioMetrics, 12 of 35 submarkets posted positive rent growth in 2Q25.
- Rent growth is projected to accelerate over the next several years, with every submarket in the Houston MSA anticipated to experience positive rent growth from 2026 through 2029.
- CoStar projects rent growth for the MSA of 2.9% in 2026 and 2027.

SOURCES: AxioMetrics, RealPage Analytics, Realty News Report

Strong Future Rent Outlook



- **Green Street projects that Houston will lead Texas markets in average rent growth over the next four years.** (2024–2028)
- RealPage Analytics highlights Houston as a market with “surprising upside” in 2024, noting that the city’s supply-to-demand ratio has remained balanced, with supply ratios below the national average. RealPage Analytics further states, “Houston could surpass other Texas markets in the near term.”

SOURCES: Green Street, RealPage Analytics

Submarket Construction Pipeline

Submarket	Current Occupancy	2023	2024	2025	UNITS UNDER CONSTRUCTION 2025 Deliveries	2026 Deliveries	2027 Deliveries	Total Deliveries
Infill								
Heights/ Washington Ave.	84.8%	812	1,715	1,039	293	225	0	518
Med Center/ Braes Bayou	91.3%	317	0	0	475	0	0	475
Montrose/ Museum/ Midtown	85.6%	667	633	642	451	0	0	451
Galleria/Uptown	87.0%	0	0	0	172	0	248	420
Infill Total		**2,451***	**3,565***	**1,890***	**1,391**	**225**	**248**	**1,864**
Non-Infill								
Katy/ Cinco Ranch/ Waterside	86.8%	3,799	3,811	1,158	1,374	1,917	0	3,291
Lake Houston/ Kingwood	91.6%	596	611	0	1,116	0	0	1,116
Woodlands/ Conroe South	89.9%	264	494	300	268	698	0	966
Richmond/ Rosenberg	92.5%	1,268	0	0	0	685	0	685
Tomball/ Spring	87.7%	1,708	2,011	0	0	644	0	644
Jersey Village/Cypress	91.0%	466	0	0	300	339	0	639
Sugar Land/ Stafford/ Sienna	88.2%	970	614	0	0	636	0	636
Conroe North/ Montgomery	85.4%	846	1,165	0	179	325	0	504
Brookhollow/ Northwest Crossing	89.9%	0	0	0	374	0	0	374
Willowbrook/ Champions/ Ella	89.4%	798	250	0	0	350	0	350
Almeda/ South Main	91.8%	378	0	0	0	350	0	350
Baytown	90.2%	238	0	0	347	0	0	347
Energy Corridor/ CityCentre/ Briar Forest	89.7%	0	1,422	0	311	0	0	311
Alvin/ Angleton/ Lake Jackson	82.7%	0	0	0	297	0	0	297
Bear Creek/ Copperfield/ Fairfield	86.3%	1,780	1,053	558	297	0	0	297
U of H/ I-45 South	92.0%	0	106	0	284	0	0	284
Friendswood/ Pearland East	93.8%	0	0	0	111	0	0	111
I-69 North	86.7%	0	304	0	90	0	0	90
Pasadena/ Deer Park/ La Porte	88.5%	518	291	0	0	81	0	81
Non-Infill Total		**16,850***	**15,565***	**2,715***	**5,348**	**6,025**	**0**	**11,373**
Grand Total		**19,301***	**19,130***	**4,605***	**6,739**	**6,250**	**248**	**13,237**

*Total units delivered include data from the entire Houston MSA, not just submarkets with units currently under construction.

Non-infill submarkets account for 85.9% of upcoming supply, with the remaining developments located in infill areas.

SOURCES: Apartment Data Services, Newmark

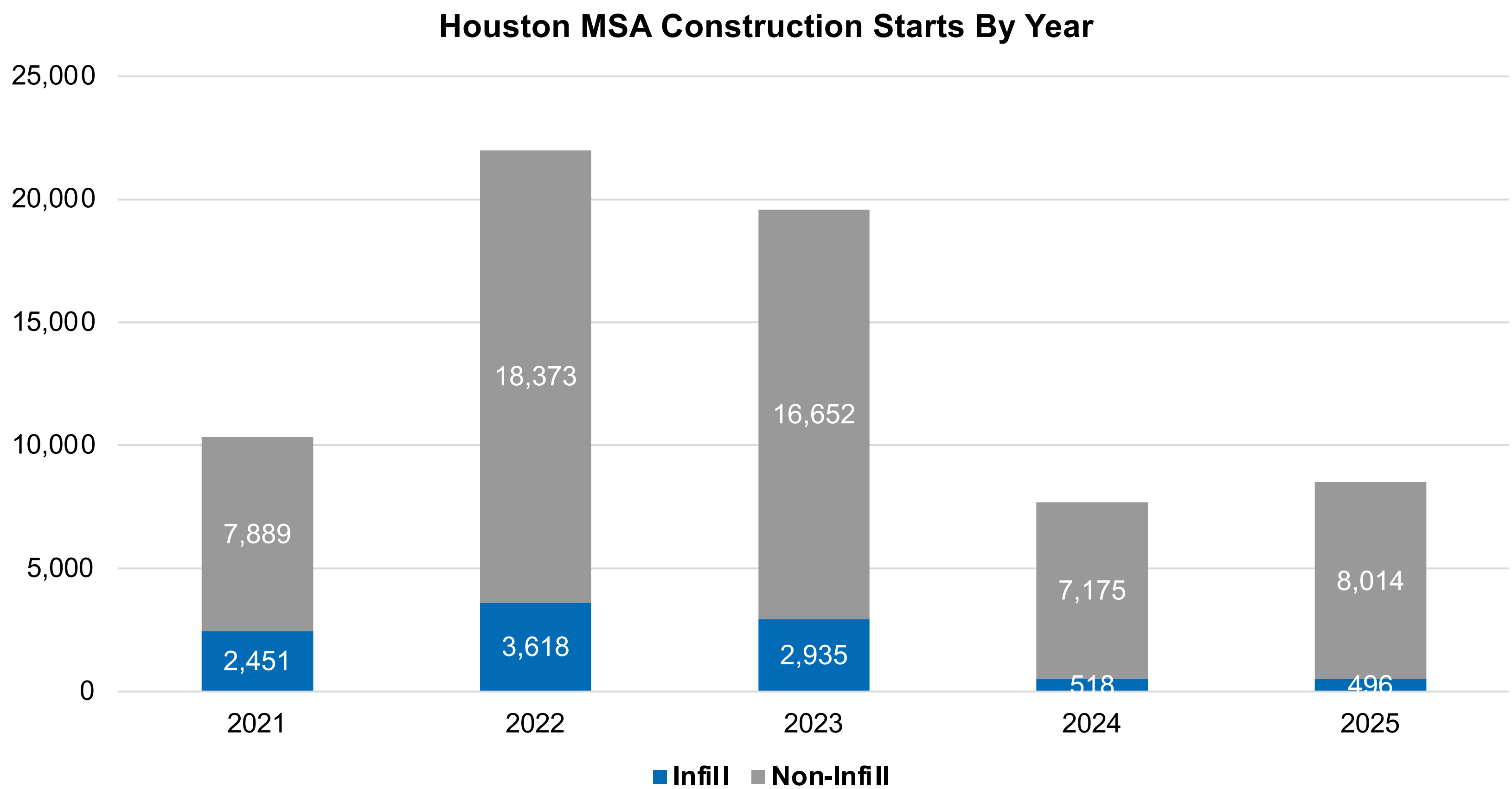
Submarket Construction Starts

	CONSTRUCTION STARTS					
Submarket	**2021 Starts**	**2022 Starts**	**2023 Starts**	**2024 Starts**	**2025 Starts (YTD)**	**Total Starts (2021-2025)**
Infill						
Heights/ Washington Ave.	812	991	1,763	518	0	4,084
Montrose/ Museum/ Midtown	667	935	791	0	0	2,393
Downtown	655	1,217	0	0	0	1,872
Med Center/ Braes Bayou	317	475	0	0	0	792
Galleria/Uptown	0	0	172	0	248	420
Highland Village/ Upper Kirby/ West U	**0**	0	209	0	0	209
Infill Total	**2,451**	**3,618**	**2,935**	**518**	**248**	**9,770**
Non-Infill						
Katy/ Cinco Ranch/ Waterside	1,411	3,799	4,477	3,087	696	13,470
Tomball/ Spring	476	1,939	1,780	0	644	4,839
Bear Creek/ Copperfield/ Fairfield	1,055	1,780	1,319	589	0	4,743
Conroe North/ Montgomery	317	1,086	1,104	0	325	2,832
Lake Houston/ Kingwood	447	596	611	1,16	0	2,770
Woodlands/ Conroe South	429	264	1,062	0	698	2,453
Energy Corridor/ CityCentre/ Briar Forest	648	326	1,407	0	0	2,381
Sugar Land/ Stafford/ Sienna	0	970	614	366	270	2,220
Richmond/ Rosenberg	0	1,268	0	0	685	1,953
Memorial/ Spring Branch	361	400	965	0	0	1,726
Clear Lake/ Webster/ League City	625	675	380	0	0	1,680
Hwy 288 South/ Pearland West	516	570	216	358	0	1,660
Willowbrook/ Champions/ Ella	239	798	250	350	0	1,637
Jersey Village/Cypress	394	466	0	300	339	1,499
Pasadena/ Deer Park/ La Porte	0	809	0	81	0	890
I-69 North	384	394	0	0	0	778
I-10 East/ Woodforest/ Channelview	0	378	359	0	0	737
Almeda/ South Main	0	0	0	0	350	728
Northline	0	243	477	0	0	720
Baytown	0	238	0	347	0	585
Beltway 8 / I-45 South	0	0	579	0	0	579
Alief	0	0	461	0	0	461
Friendswood/ Pearland East	291	0	111	0	0	402
U of H/ I-45 South	0	0	106	284	0	390
Brookhollow/ Northwest Crossing	0	0	374	0	0	374
Braeswood/ Fondren SW	0	360	0	0	0	360
FM 1960 E/ IAH Airport	0	336	0	0	0	336
Inwood/ Hwy 249	0	300	0	0	0	300
Alvin/ Angleton/ Lake Jackson	0	0	0	297	0	297
Dickinson/ Galveston	296	0	0	0	0	296
Non-Infill Total	**7,889**	**18,373**	**16,652**	**7,175**	**4,007**	**54,096**
Grand Total	**10,340**	**21,991**	**19,587**	**7,693**	**4,255**	**63,866**

Non-infill submarkets have comprised 84.7% of all construction starts from 2021 to 2025, with the remainder in infill areas.

SOURCE: Newmark

Construction Starts Analysis

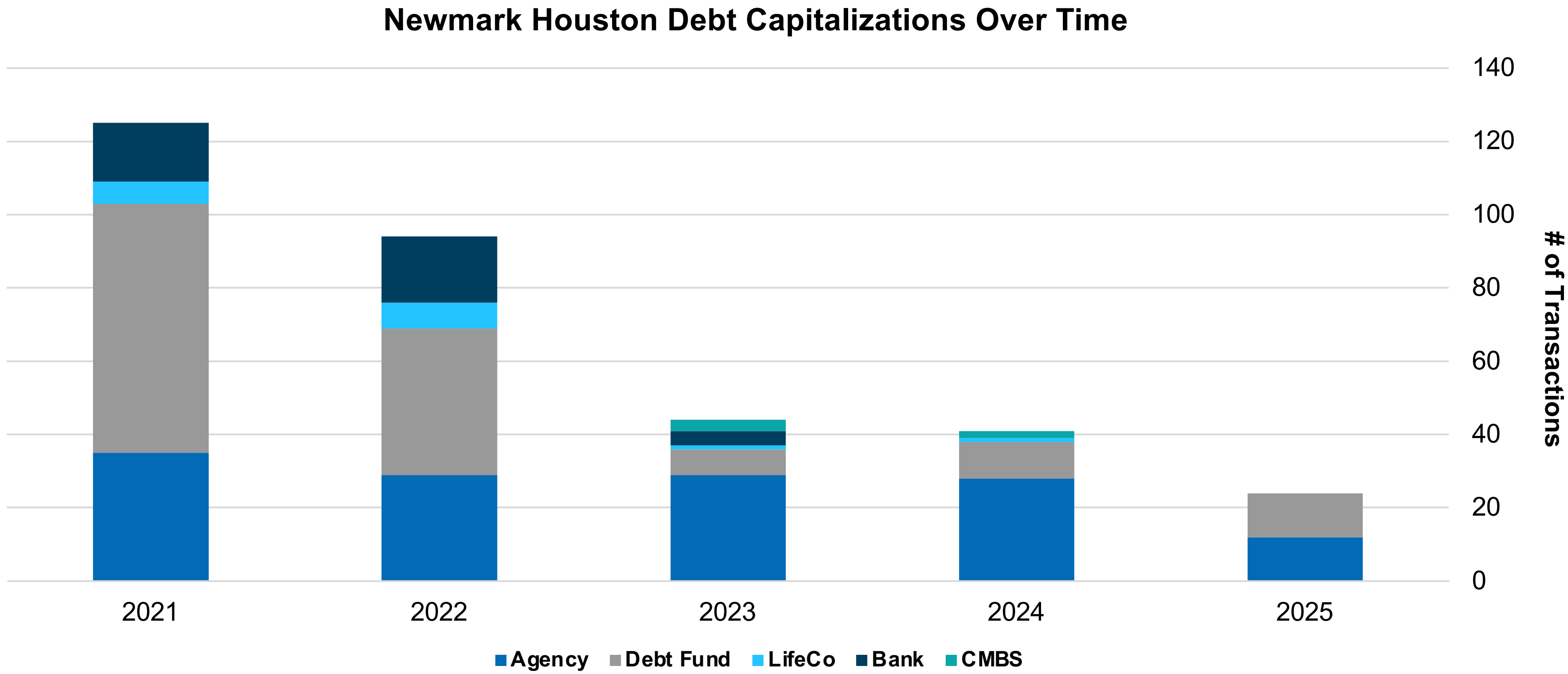


	2021 Starts	2022 Starts	2023 Starts	2024 Starts	2025 Starts (YTD)
Infill	2,451	3,618	2,935	518	248
Non-Infill	7,889	18,373	16,652	7,175	4,007
Total	10,340	21,991	19,587	7,693	4,255
% Change	**--**	**113%**	**-11%**	**-61%**	**-45%**

– Overall, 2024 construction starts decreased by 61% from 2023 levels, marking the lowest number since the Global Financial Crisis.

SOURCES: Apartment Data Services, Newmark

Newmark Houston Debt Transactions

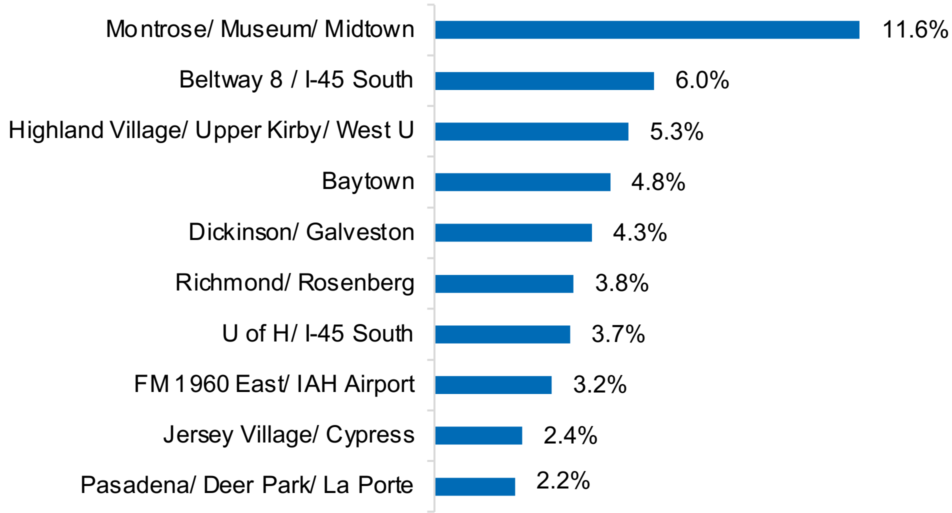


	2021	2022	2023	2024	2025 (YTD)
Agency	28%	31%	66%	70%	50%
Debt Fund	54%	43%	23%	24%	50%
LifeCo	5%	7%	2%	1%	0%
Bank	13%	19%	9%	0%	0%
CMBS	0%	0%	0%	4%	0%

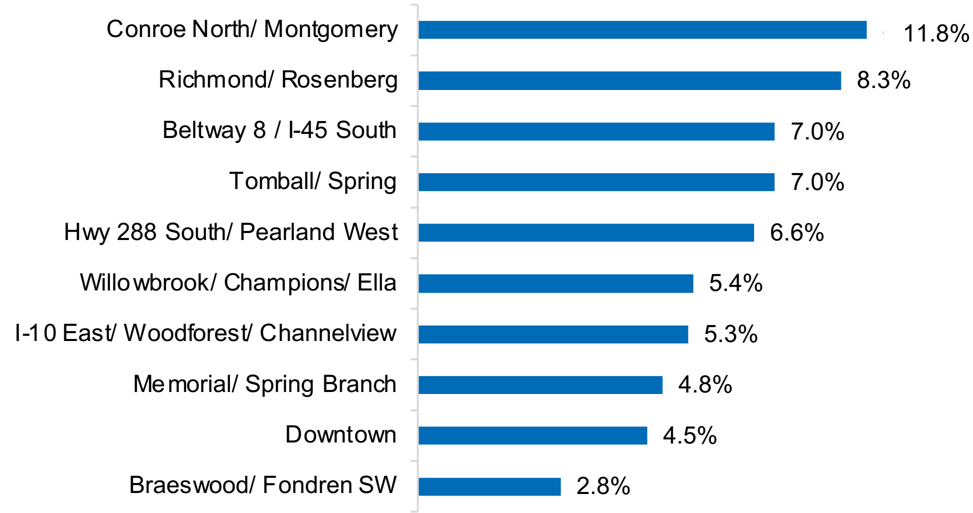
SOURCES: Apartment Data Services, Newmark

Houston Submarket Rankings

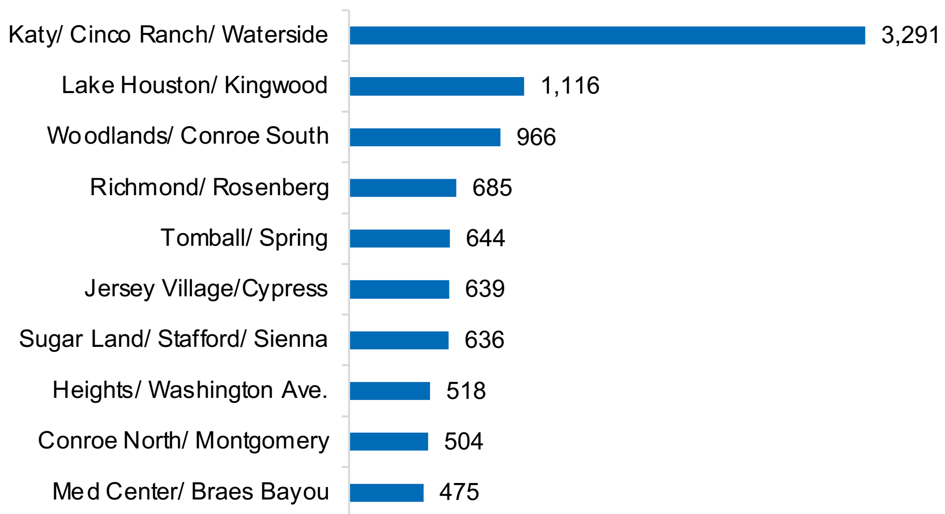
Rental Rate Growth (Trailing 6 Months)



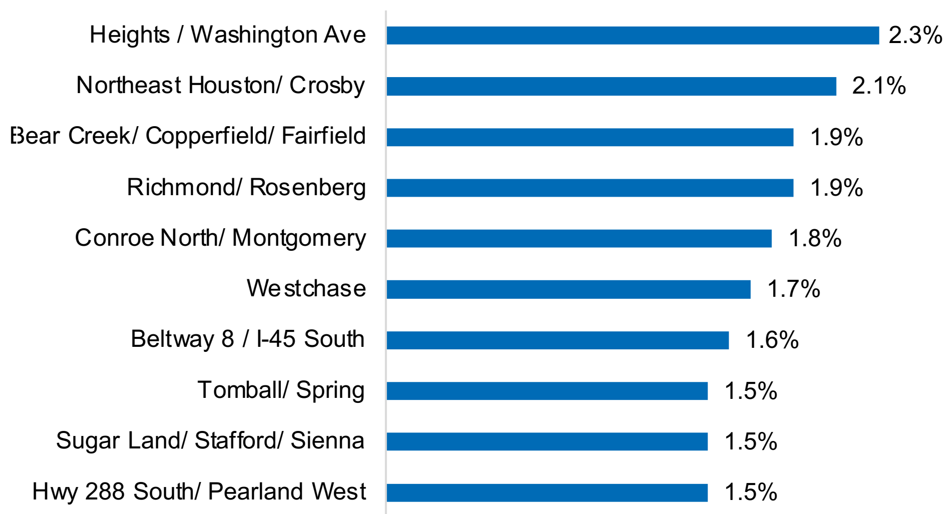
Occupancy Growth (Trailing 6 Months)



Units Under Construction



Percent of Market Absorbed (Trailing 3 Months)

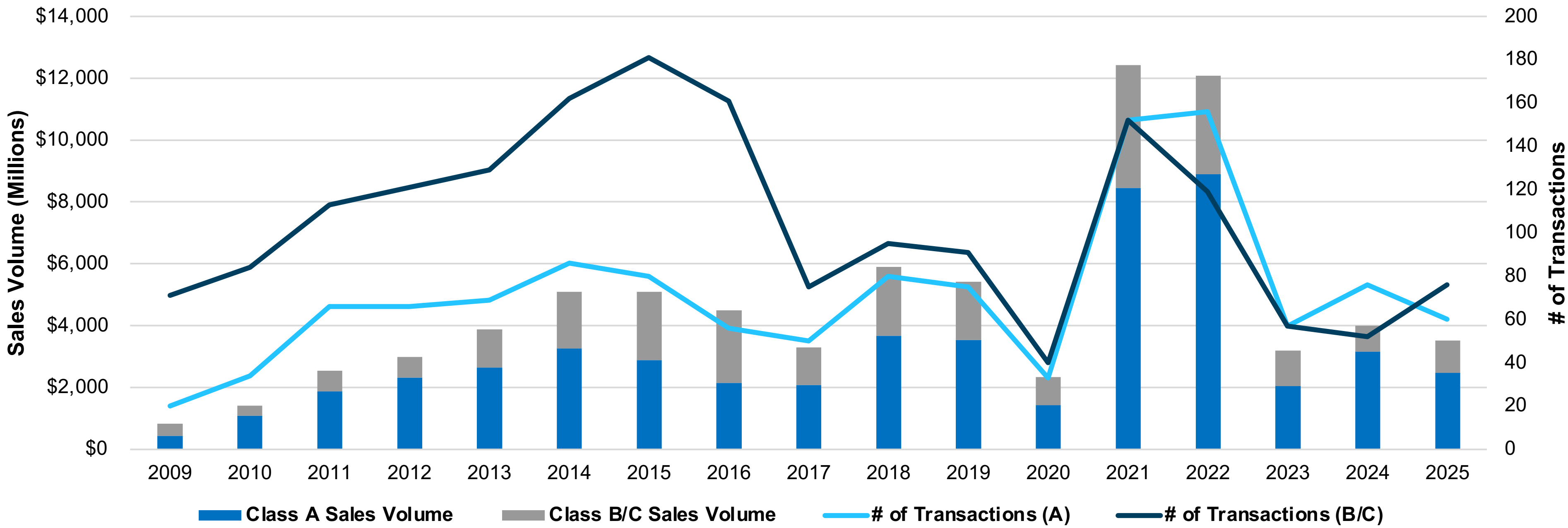


SOURCES: Apartment Data Services, Newmark

04 | Houston Transaction Trends

NEWMARK

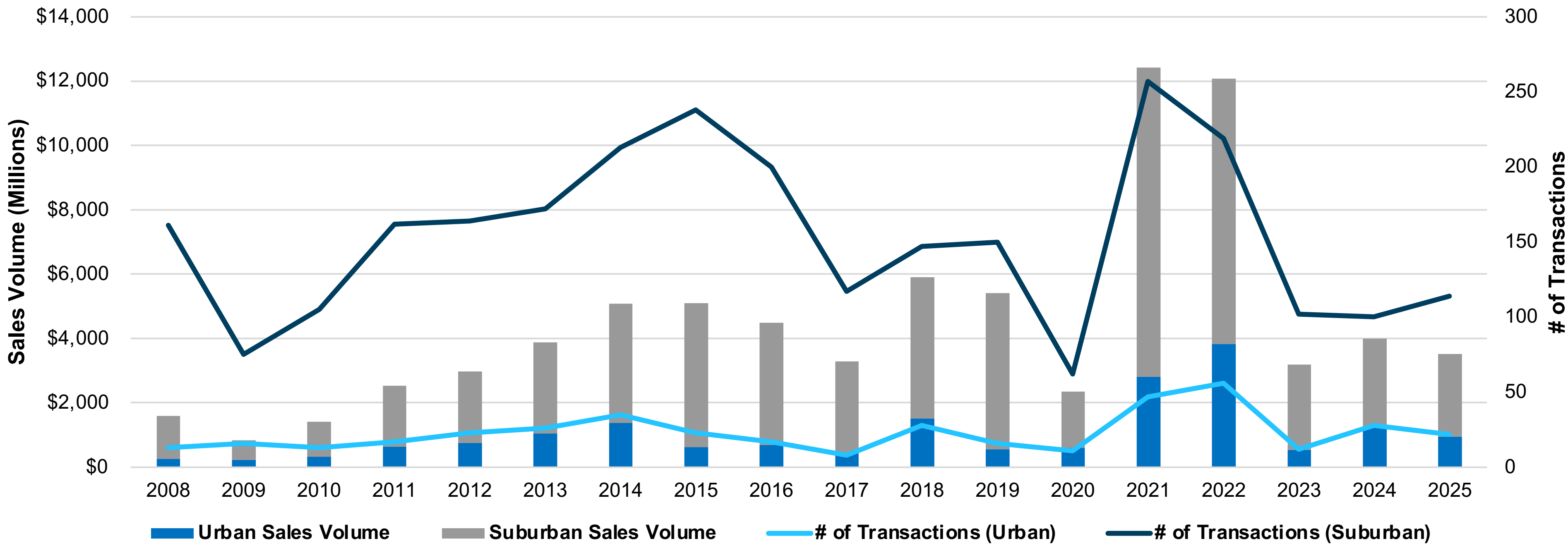
Multifamily Transaction Activity by Class



Year (volume in millions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (ann.)
Total Volume	$837	$1,416	$2,540	$2,984	$3,880	$5,093	$5,101	$4,491	$3,298	$5,904	$5,414	$2,346	$12,423	$12,086	$3,195	$3,996	$3,525
# of Transactions (Total)	91	118	179	187	198	248	261	217	125	175	166	73	304	275	114	128	136
Class A Sales Volume	$432	$1,081	$1,883	$2,326	$2,652	$3,271	$2,892	$2,150	$2,084	$3,668	$3,536	$1,435	$8,460	$8,898	$2,049	$3,165	$2,475
# of Transactions (A)	20	34	66	66	69	86	80	56	50	80	75	33	152	156	57	76	60
% of Transactions (A)	22%	29%	37%	35%	35%	35%	31%	26%	40%	46%	45%	45%	50%	57%	50%	59%	44%
Class B/C Sales Volume	$405	$334	$657	$658	$1,228	$1,822	$2,209	$2,341	$1,214	$2,236	$1,878	$911	$3,963	$3,188	$1,146	$831	$1,050
# of Transactions (B/C)	71	84	113	121	129	162	181	161	75	95	91	40	152	119	57	52	76
% of Transactions (B/C)	78%	71%	63%	65%	65%	65%	69%	74%	60%	54%	55%	55%	50%	43%	50%	41%	56%

SOURCE: Newmark

Multifamily Transaction Activity – Urban vs Suburban

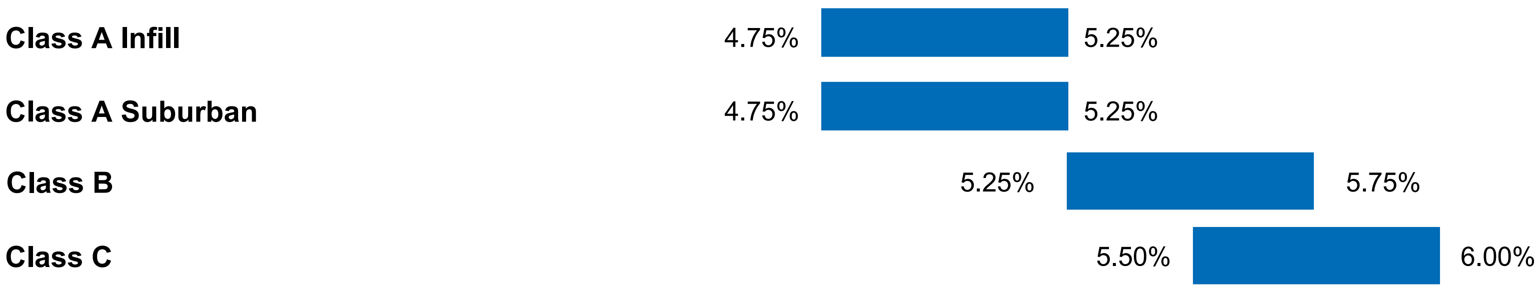


Year (volume in millions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (ann.)
Total Volume	$837	$1,416	$2,540	$2,984	$3,880	$5,093	$5,101	$4,491	$3,298	$5,904	$5,414	$2,346	$12,423	$12,086	$3,195	$3,996	$3,525
# of Transactions (Total)	91	118	179	187	198	248	261	217	125	175	166	73	304	275	114	128	136
Urban Sales Volume	$232	$333	$640	$763	$1,047	$1,385	$620	$691	$452	$1,516	$559	$610	$2,810	$3,832	$539	$1,271	$960
# of Transactions (Urban)	16	13	17	23	26	35	23	17	8	28	16	11	47	56	12	28	22
% of Transactions (Urban)	18%	11%	9%	12%	13%	14%	9%	8%	6%	16%	10%	15%	15%	20%	11%	22%	16%
Suburban Sales Volume	$605	$1,083	$1,900	$2,221	$2,833	$3,708	$4,481	$3,800	$2,846	$4,388	$4,855	$1,736	$9,613	$8,254	$2,656	$2,725	$2,565
# of Transactions (Suburban)	75	105	162	164	172	213	238	200	117	147	150	62	257	219	102	100	114
% of Transactions (Suburban)	82%	89%	91%	88%	87%	86%	91%	92%	94%	84%	90%	85%	85%	80%	89%	78%	84%

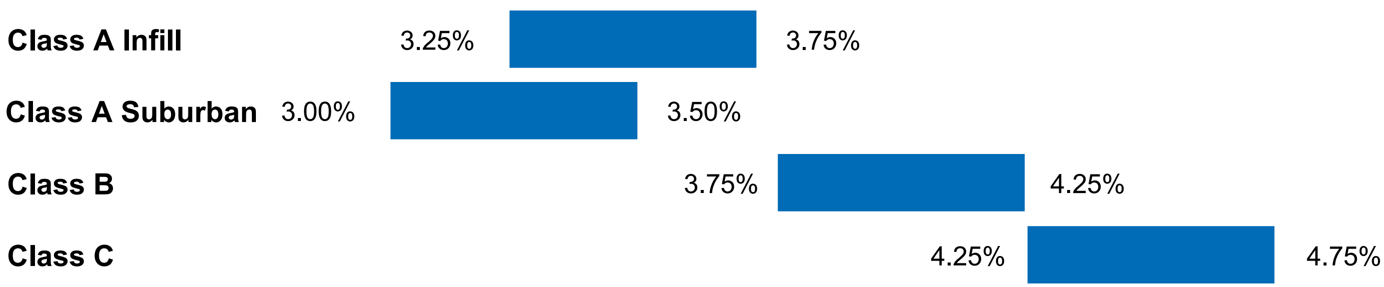
SOURCE: Newmark

Newmark’s Current Estimate of Houston Cap Rates

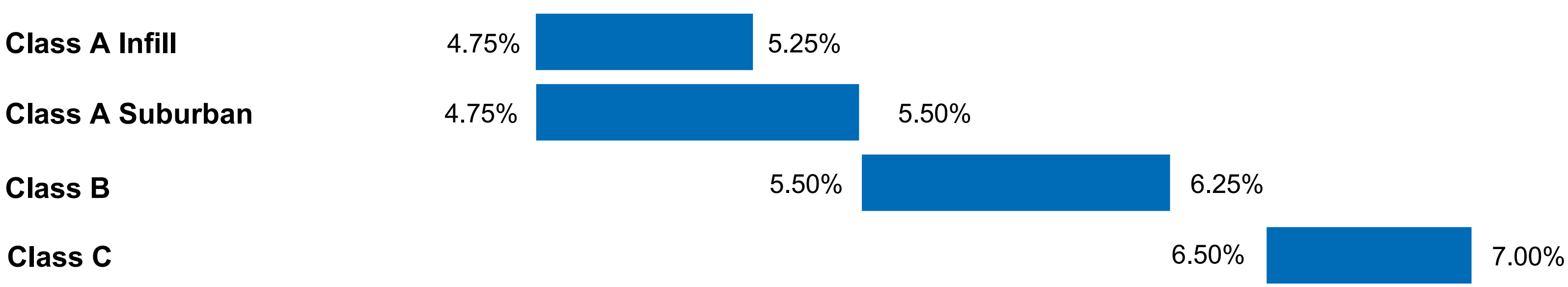
2Q24 Cap Rates



Market Peak Cap Rates



2Q25 Cap Rates



SOURCE: Newmark, updated December 2024

Replacement Cost Tracker

Workforce | WF	Per SF	Per Unit
Land	$8 - $10	$10K - $15K
Hard Costs	$135 - $145	$125K - $150K
Soft Costs	15% - 20%	$20K - $35K
ALL-IN COST		**$160K - $175K**

Mid-Rise Stick Podium | MP	Per SF	Per Unit
Land	$100 - $175	$50K - $75K
Hard Costs	$240 - $280	$190K - $250K
Soft Costs	15% - 20%	$35K - $55K
ALL-IN COST		**$290K - $340K**

Garden | G	Per SF	Per Unit
Land	$8 - $15	$12K - $18K
Hard Costs	$145 - $155	$135K - $155K
Soft Costs	15% - 20%	$20K - $35K
ALL-IN COST		**$175K - $195K**

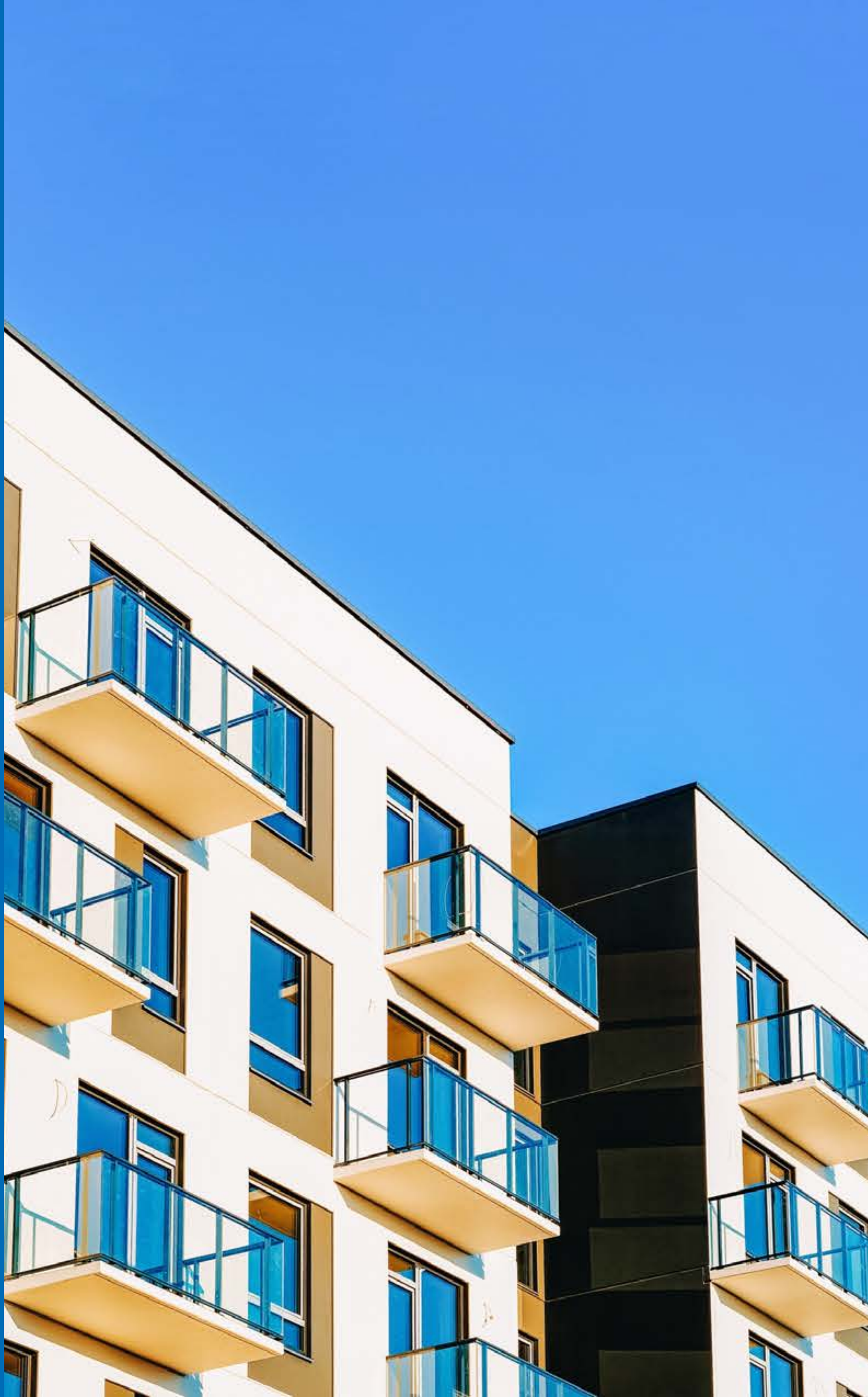
Mid-Rise Concrete Podium | MCP	Per SF	Per Unit
Land	$150 - $225	$50K - $70K
Hard Costs	$300 - $325	$240K – $295K
Soft Costs	15% - 20%	$45K - $75K
ALL-IN COST		**$350K - $400K**

4-Story Surface Park | 4S	Per SF	Per Unit
Land	$15 - $40	$20K - $35K
Hard Costs	$160 - $175	$155K - $185K
Soft Costs	15% - 20%	$20K - $35K
ALL-IN COST		**$195K - $225K**

High Rise | HR	Per SF	Per Unit
Land	$175 - $300	$30K - $60K
Hard Costs	$375 - $400	$340K – $520K
Soft Costs	15% - 20%	$55K - $115K
ALL-IN COST		**$450K - $650K**

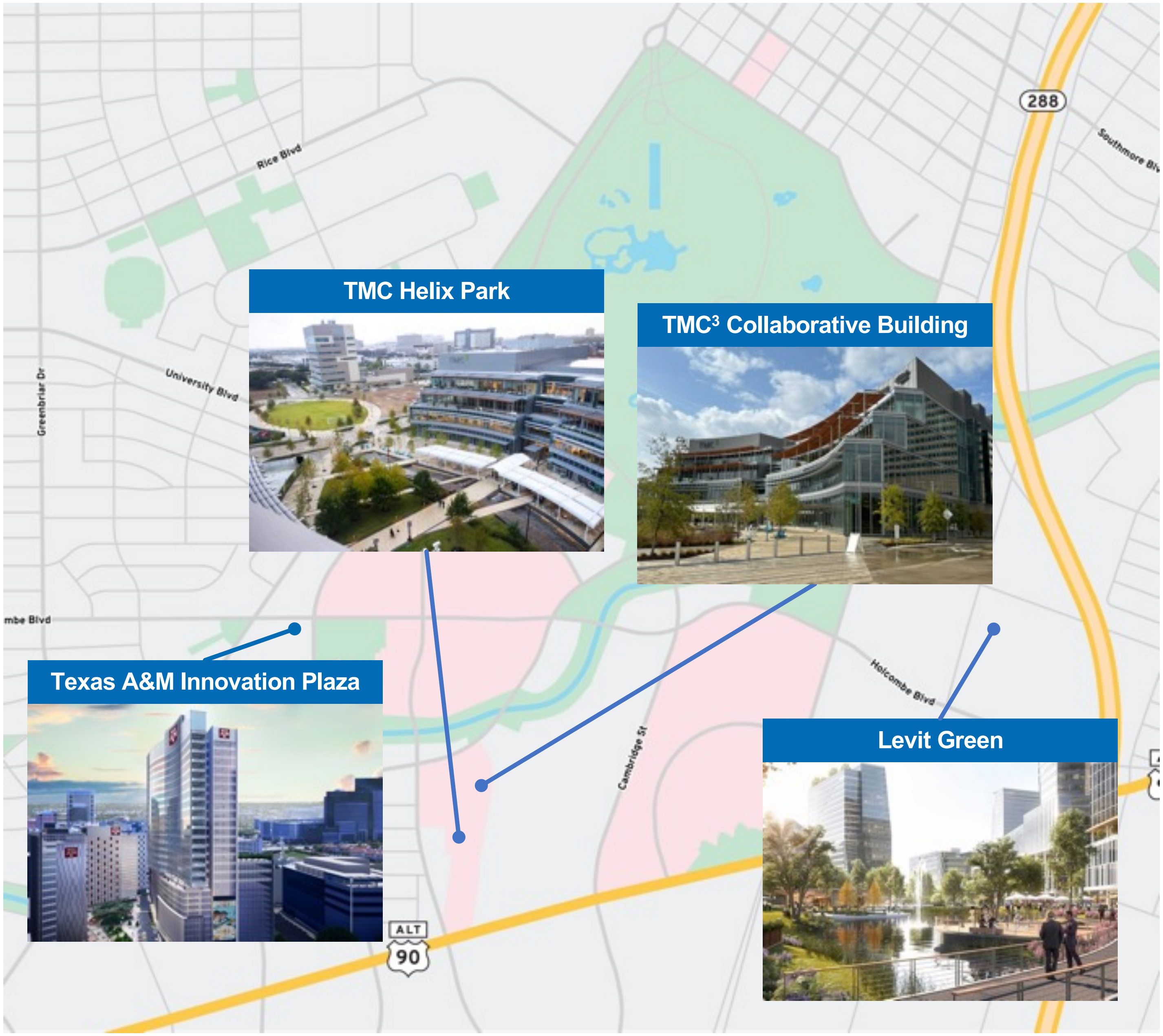
Mid-Rise Stick Wrap | MW	Per SF	Per Unit
Land	$50 - $150	$40K - $60K
Hard Costs	$210 - $230	$165K - $215K
Soft Costs	15% - 20%	$30K - $45K
ALL-IN COST		**$240K - $280K**

05 | Appendix



NEWMARK

Continued Growth Of A World-Class Healthcare Industry



Houston is advancing major developments in the commercial life sciences sector, positioning itself to compete with established hubs like Boston and San Francisco.

- **The TMC³ Collaborative Building,** fosters academic-industry collaboration with wet labs, co-working spaces, and hosts life sciences companies like Portal Innovations and the TMC Venture Fund.
- **Levit Green,** Levit Green offers laboratory and research facilities, as well as multifamily housing and retail space.
- **Texas A&M Innovation Plaza,** a five-acre, $546 million development with three towers, began with the first tower completed in 2021, and with the remaining towers under construction.
- **Texas Medical Center Helix Park** provides an interconnected chain of inspiring green spaces with amenities to promote relaxation and collaboration.

SOURCE: CoStar

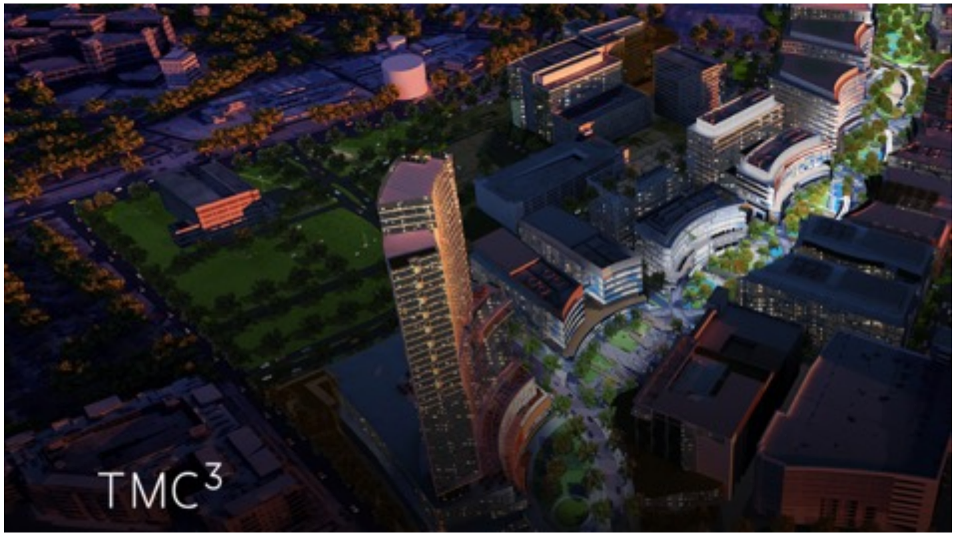
Continued Growth Of A World-Class Healthcare Industry

With an estimated annual impact of $5.4 billion, TMC Helix Park's Bioresearch Campus is set to stimulate substantial economic activity across the city and state. This development will bring 23,000 new permanent positions across diverse industries, pay scales, tax brackets, and educational backgrounds, along with over 19,000 jobs during the construction phase. As the anchor tenant for the first of four industrial buildings on campus, Baylor College of Medicine occupies 114,000 SF. More recently, leases were signed with MD Anderson Cancer Center, Houston Methodist, Texas A&M University, and UTHealth.

Economic Impact: **TMC Helix Park Bioresearch Campus**	**City of Houston & Harris County**	**State of Texas**
Construction Impacts	$3,251.1M	$3,742.5M
Ongoing Annual Impacts	$4,795.4M	$5,409.8M
Construction Jobs	17,167	19,097
Total Permanent Jobs	22,958	26,540

TMC Helix Park will unite innovators across healthcare, science, academia, government, industry, manufacturing, and the nonprofit sector to collaborate on developing new medicines, medical devices, diagnostics, digital health platforms, and treatment solutions. This premier, 37-acre life sciences complex will feature:

37	**Acres**
5.0 million	**Developed SF**
1	**Collaborative Research Mixed-Use Building**
6	**Future Industry and Institutional Research Buildings**
18.7	**Acres of Public Green Space**



SOURCE: Texas Medical Center

Continued Growth Of A World-Class Healthcare Industry

In 2022, the Texas Medical Center announced plans for **TMC BioPort, a 500-acre development projected to double the medical center's footprint within five to ten years**, according to CEO Bill McKeon. Located about two miles southwest of NRG Stadium, TMC BioPort will sit just outside the 610 Loop.

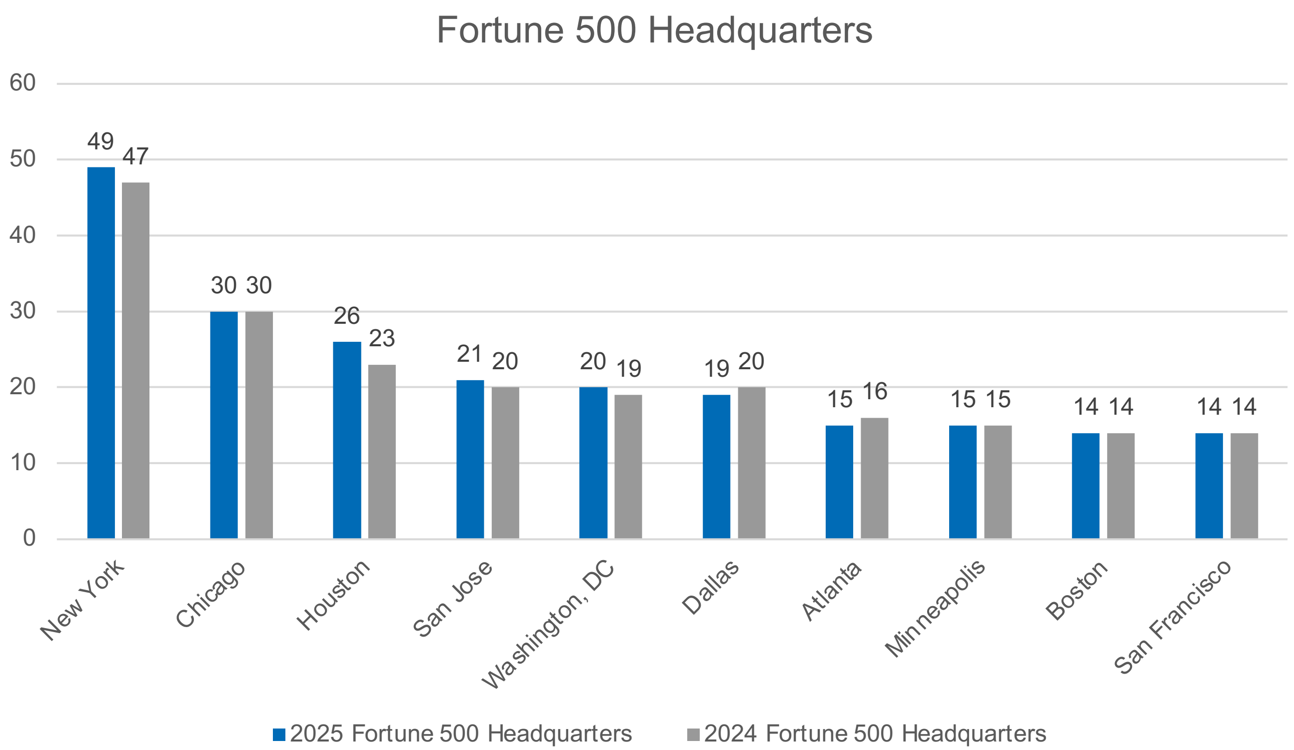
TMC BioPort will center on cell and gene therapy, biomanufacturing, and medical supply distribution. A $100 million investment in local infrastructure is planned ahead of the project's start in 2025. **BioPort is projected to generate 100,000 jobs and contribute $54 billion annually to the economy, according to CEO Bill McKeon.**

SOURCES: Texas Medical Center, Houston Chronicle

A Top Three US City for Fortune 500 Companies

Houston hosts 26 Fortune 500 companies, ranking third among U.S. metro areas behind New York and Chicago. The city offers extensive business opportunities, fueled by a low cost of living, favorable tax conditions, and a skilled workforce.

Corporate relocations drove a net gain of three Fortune 500 companies to Houston in 2025 including both Chevron (CVX) and Corebridge (CRBG).



– Houston hosts **26 Fortune 500 headquarters.**

– **Houston** is home to more company headquarters than any other city in the state.

– **Texas** leads the nation with the most Fortune 500 companies.

SOURCES: Fortune, Houston Chronicle, Greater Houston Partnership

Notable New Houston Developments

Ashford Yard

Ashford Yard is transforming the former Schlumberger site at 1325 S Dairy Ashford Road in Houston's Energy Corridor into a 12.7-acre mixed-use development.

It will feature experiential retail, luxury apartments, restaurants, and office spaces. The centerpiece, a beautiful green space anchored by a live oak tree, connects community, offering 90,000+ square feet of retail and versatile office layouts for businesses of all sizes.

GreenStreet

GreenStreet, the four-block mixed-use district in downtown managed by Texas-based real estate firm Rebees, is slated for a multimillion-dollar makeover. Planned updates include converting the former Forever 21 building into a pedestrian-friendly alleyway filled with dining, retail and nightlife attractions.

Additional enhancements feature the installation of rooftop solar panels, improved landscaping with lush gardens and upgraded office spaces with multi-level amenities. Phase one of construction has commenced in the first quarter of 2025 and be completed by the third quarter.

SOURCE: Houston Chronicle

Notable New Houston Developments

East River

The 150-acre East River development on Buffalo Bayou will transform East Downtown with multifamily housing, office space, retail, restaurants and entertainment.

Once completed, it will feature over 500 miles of bike lanes along bayou trails and waterfront areas. The 359-unit multifamily complex is currently in lease-up, with the remaining office and retail in phase one having been completed in late 2024.

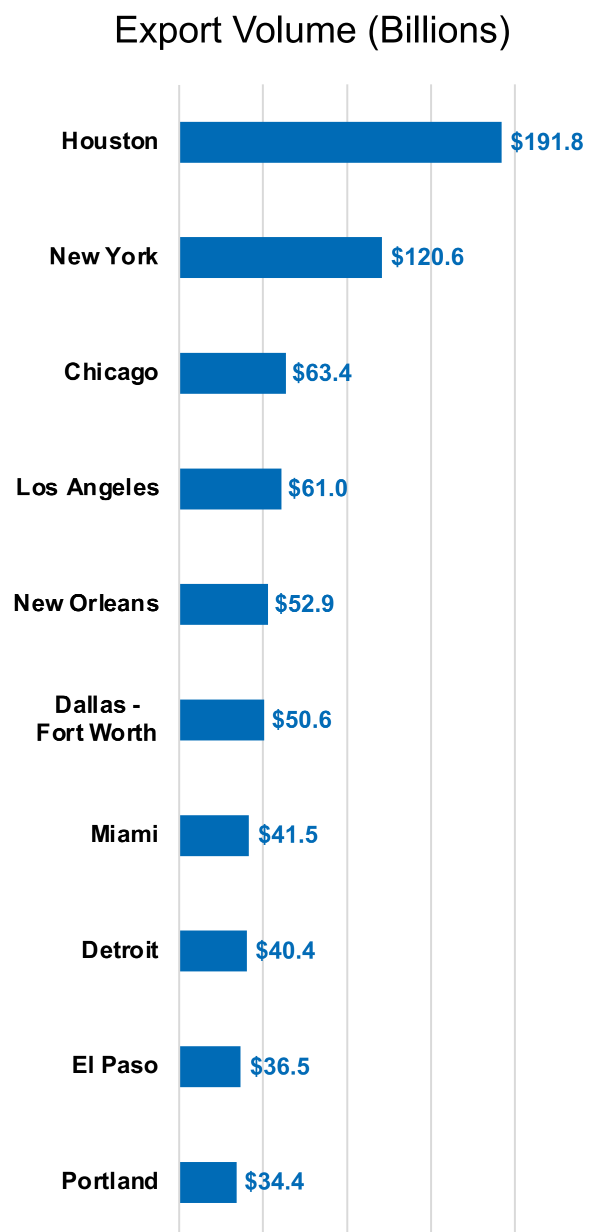
Autry Park

Autry Park is an urban village and culinary destination near Buffalo Bayou Park. Set on 14 acres along Allen Parkway in Montrose, the first two apartment buildings opened in spring 2022.

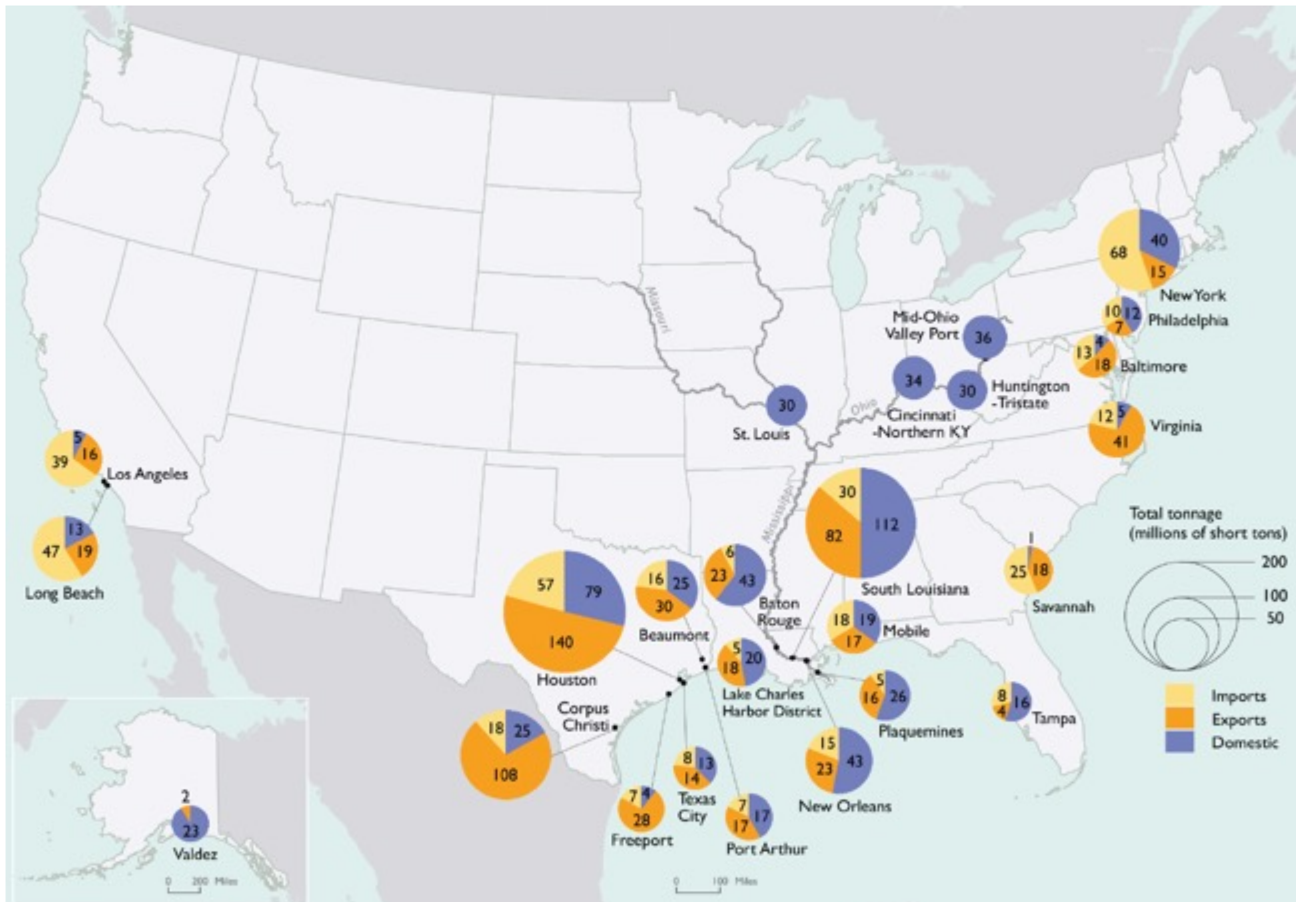
The three-phase master plan includes five towers, 1,450 residential units, 350,000 SF of Class A office space, and 100,000 SF of retail space surrounding a central park.

SOURCE: Houston Chronicle

Port of Houston



#1	Port in the nation for domestic & foreign waterborne tonnage
#2	Port in total foreign cargo value
LARGEST	Container port in the Gulf Coast, handling 73% of coast traffic
97%	Container market share in Texas
LARGEST	U.S metro exporter
$439 BILLION	Contribution to state economic value
1.54 MILLION	Jobs supported by port activity



SOURCES: The Port of Houston, Greater Houston Partnership YE 2022

SOURCES: U.S. Department of Transportation, Bureau of Transportation Statistics, based upon 2020 data provided by U.S. Army Corps of Engineers, Waterborne Commerce Statistics Center. Special tabulation as of December 2021.

Houston Rankings By The Press

#1

TOP RELOCATION DESTINATION IN US (2024)
Penske Truck Rental (via Houston Business Journal) – May 2025

FASTEST-GROWING U.S. COUNTY (HARRIS)
U.S. Census via Houston Business Journal – March 2025

MOST NEW CONSTRUCTION HOMES SOLD
SmartAsset.com – May 2024

BEST PLACE FOR FOREIGN BUSINESS
Financial Times & Nikkei – November 2023

BEST HOSPITAL IN TEXAS – HOUSTON METHODIST
U.S. News & World Report - July 2024

BEST HOSPITAL FOR CANCER - MD ANDERSON CANCER CENTER
U.S. News and World Report – 2023–2024

HIGHEST IN DIVERSITY FOR SOUTHERN SCHOOLS- UH-DOWNTOWN
WSJ/College Pulse 2024 Best Colleges in the U.S. – November 2023

TOP TEXAS MARKET FOR LIFE SCIENCE TALENT
CBRE (via Houston Business Journal) – June 2023

#2

2025'S MOST DIVERSE MAJOR CITY IN AMERICA – HOUSTON
Wallet Hub – March 2025

U.S. METRO HOME TO FORTUNE 500 COMPANIES
Fortune (via Houston Chronicle) – June 2023

CITY FOR CORPORATE HEADQUARTERS
BusinessFacilities.com – August 2023

#3

LOWEST COST OF LIVING
Cost of Living Index - March 2024

10 BEST CITIES FOR ENTREPRENEURS
The Zebra – April 2024

TOP METRO BY NEW & EXPANDED CORPORATE FACILITIES
Site Selection Magazine - March 2023

PREPARED BY

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