

Houston Multifamily Market Report



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01 | Newmark Houston Overview

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
Senior Managing Director



JONATHAN POWELL
Transaction Manager



ANTHONY LUKEFAHR
Transaction Manager



PURVESH GOSALIA
Executive Vice Chairman



TIP STRICKLAND
Vice Chairman



DAVID SCHWARZ
Vice Chairman



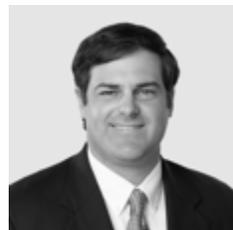
HOLLAN HENSLEY
Managing Director



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
Sr. Managing Director

Transaction Team

JONATHAN POWELL
Transaction Manager

ANTHONY LUKEFAHR
Transaction Manager

DUNCAN GUINN
Sr. Financial Analyst

REESE ELLER
Sr. Financial Analyst

CONNOR HANNIGAN
Sr. Financial Analyst

GREYSON MATTE
Financial Analyst

Debt & Structured Finance

PURVESH GOSALIA
Executive Vice Chairman

DAVID SCHWARZ
Vice Chairman

TIP STRICKLAND
Vice Chairman

HOLLAN HENSLEY
Managing Director

JOHN YOUNG
Director

KEVIN AMEND
Director

HAYDEN HEDRICK
Transaction Manager

TYLER KRULL
Associate

THOMAS MINTON
Financial Analyst

Secondary Markets

BRAD SHAFFER
Executive Managing Director

BRANDON MILLER
Executive Managing Director

TAYLOR GASPARD
Transaction Manager

GARRETT REEDY
Financial Analyst

Marketing

ELIZABETH AHOW
Sr. Marketing Coordinator

CLAUDIA VILLA
Sr. Marketing Coordinator

SEAN SONNIER
Sr. Marketing Coordinator

Land

DILLON MILLS
Managing Director

CHET MANNING
Associate Director

Operations

AIMEE HAWTHORNE
Sr. Business Operations
Manager

MELANIE WHATLEY
Transaction Services
Specialist

RAMONA VOLOVIK
Transaction Coordinator

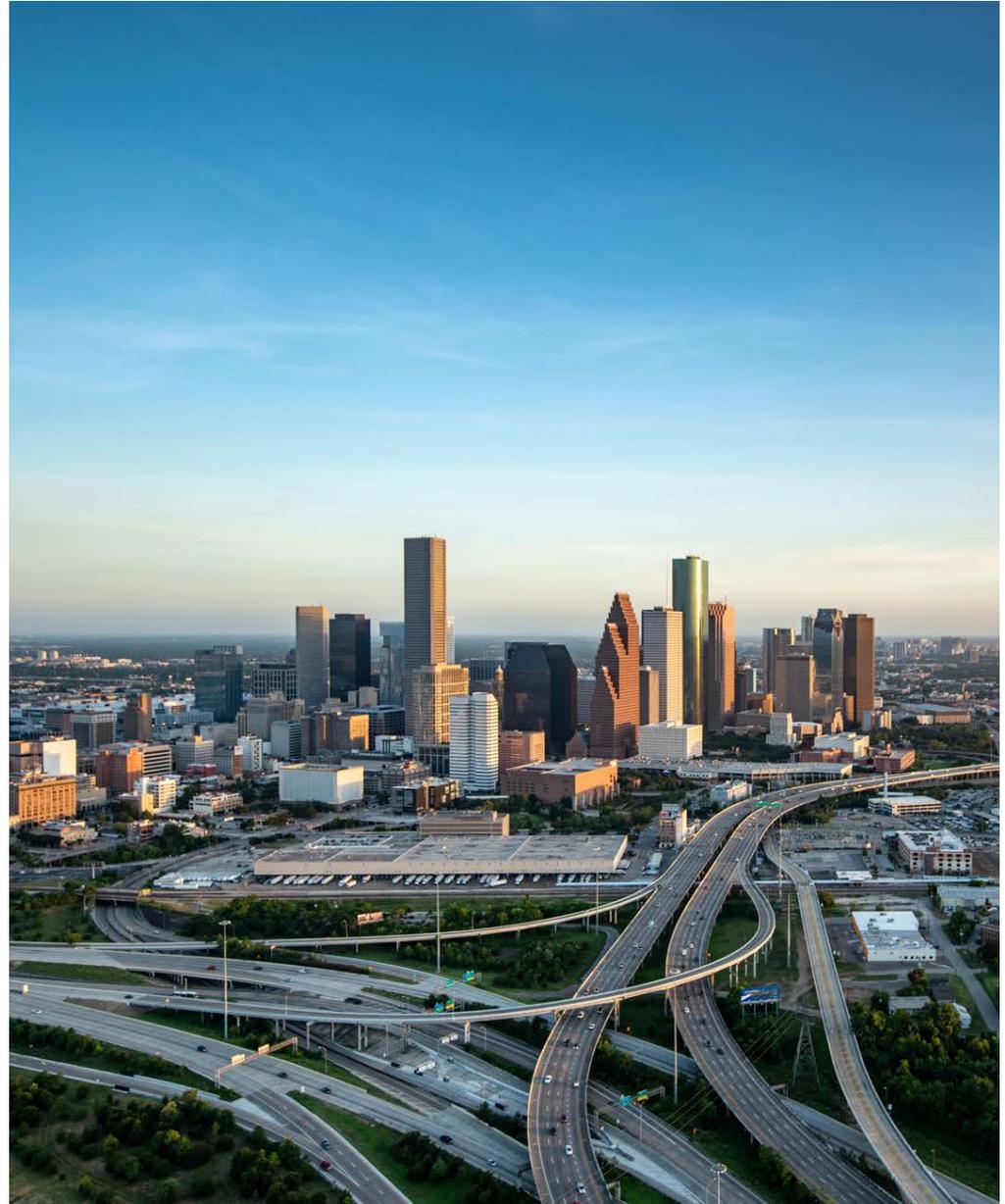
MEREDITH KNIGHT
Transaction Services Coordinator

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

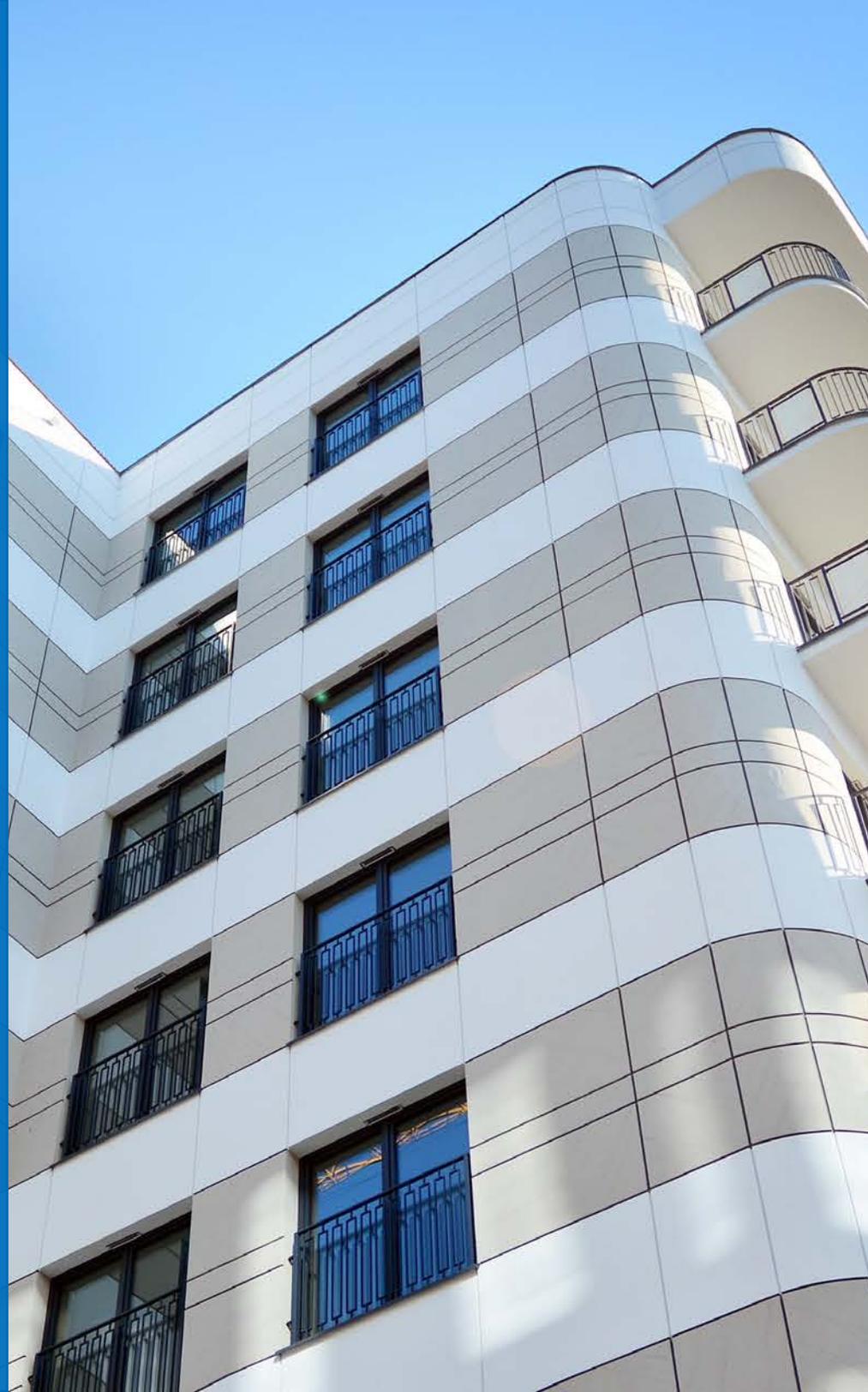
Newmark holds a **37.4% market share** in Houston, establishing it as the largest and most productive investment sales team in the market.*

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



02 | Houston Economic Overview

NEWMARK



Houston Highlights

Economy

- As the fourth-largest metropolitan statistical area in the U.S., Houston is projected by Moody's Analytics to add 408,000 residents by 2030. Texas is home to four of the nation's 10 highest-growth counties, including two in the Houston MSA.
- Houston ranks first in the nation in private sector wage growth for the twelve-month period ending September 2025.
- 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 2026 to 2030, with an annual average job increase of over 50,000.
- 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 \$3,514— nearly three times the average multifamily rent of \$1,258 and over double the average Class A rent of \$1,704.

Multifamily

- Occupancy for all classes has increased by 2.0% in 2025, reaching 90.0% for the first time since December 2022.
- Class A absorption remains robust, with 16,364 units absorbed in 2025—exceeding the 10-year average of 13,878 units.
- Currently, 14,887 units are under construction in Houston, representing 7.1% of the MSA's total Class A inventory of 208,366 units. **This construction level is lower than Dallas at 7.3%, San Antonio at 9.3%, and Austin at 15.9%.**
- Total 2025 transaction volume exceeded 2024 by 4.0%, while total transactions increased by 14.8%, driven by interest rate compression and downward cap rate pressure.

Houston Remains a Favored Investment Market



ECONOMIC & OPERATIONAL STRENGTH

#1
Population Growth
2026 – 2030¹

#1
Net Migration
2026 – 2030¹

#1
Employment Growth
2026 – 2030¹

#1
Wage Growth
in 2025²



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

Major Technology Companies Investing in Northwest Houston

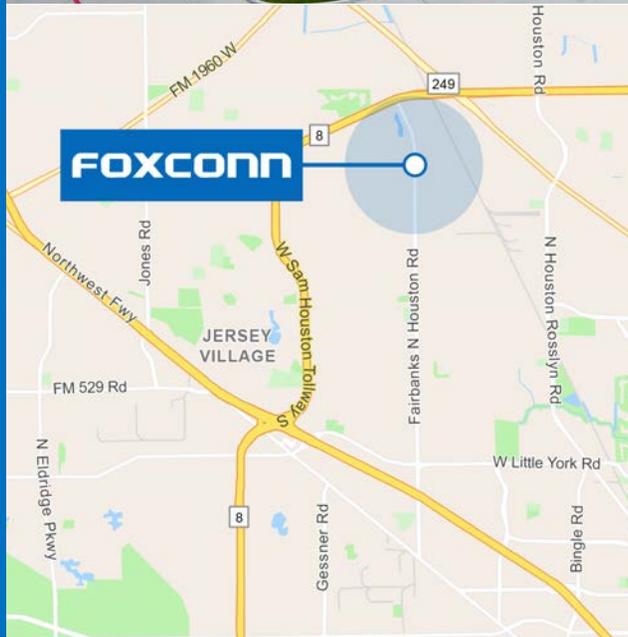
Long overshadowed by tech hubs such as Austin, Houston is stepping onto the stage for a manufacturing resurgence that could create thousands of jobs and spur demand for industrial real estate and housing near new factories.

Foxconn has made substantial investments in Northwest Houston with their recent acquisition of 1 million-square feet of industrial space in Fairbanks Logistics Park, with reports of an additional investment of \$450 million planned to build an AI server manufacturing facility there. Additionally, the company has signed leases for ~600K square feet of industrial space nearby.

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 developments are expected to open in proximity to Foxconn's latest expansions.



Fairbanks Logistics Park



FOXCONN



NVIDIA®

Pharmaceutical Manufacturing Investment from Eli Lilly



Global pharmaceutical company Eli Lilly has announced plans to invest \$6.5 billion in a new manufacturing facility in Generation Park, about 20 minutes northeast of downtown Houston.

The Indianapolis-based firm chose Generation Park in Houston after evaluating more than 300 sites across 40 states. The planned 1 million-square-foot facility is expected to be operational within five years and will receive \$5.5 million from the Texas Enterprise Fund.

The company plans to hire 615 professionals—including engineers, scientists, and lab technicians—with an average annual salary exceeding \$100,000. Additionally, the construction phase is expected to create around 4,000 jobs.

According to Eli Lilly, the Houston site will feature advanced artificial intelligence systems and will be the largest facility of its kind in the U.S.

Nation-Leading Projected Population Growth

Metro (2026-2030)	Population Growth (ths)	Population Growth	Average Annual Gain/Loss ¹
1 Houston	408.0	5.1%	102.0
2 Dallas	300.0	5.1%	75.0
3 Phoenix	185.0	3.5%	46.3
4 Orlando	177.0	5.8%	44.3
5 Atlanta	177.0	3.5%	44.3
6 Tampa	81.0	3.2%	20.3
7 Denver	78.0	2.5%	19.5
8 Miami	74.0	2.6%	18.5
9 Minneapolis	66.0	1.7%	16.5
10 Seattle	64.0	2.7%	16.0
11 Riverside	39.0	0.8%	9.8
12 Boston	7.0	0.3%	1.8
13 San Francisco	-2.0	-0.1%	-0.5
14 Washington D.C.	-5.0	-0.3%	-1.3
15 San Diego	-10.0	-0.3%	-2.5
16 Los Angeles	-17.0	-0.2%	-4.3
17 Philadelphia	-34.0	-1.6%	-8.5
18 Detroit	-75.0	-4.3%	-18.8
19 New York	-82.0	-0.7%	-20.5
20 Chicago	-154.0	-2.1%	-38.5

- According to Moody’s Analytics, **Houston ranks first among the 20 largest U.S. metros** for population growth from 2026 to 2030 with a staggering projection of 408,000 people. This estimate exceeds the next highest metro by over 108,000 people.
- Since 2019, Houston has achieved an annual population growth rate of 1.7% and is expected to grow by an average of 1.0% per year over the next five years.

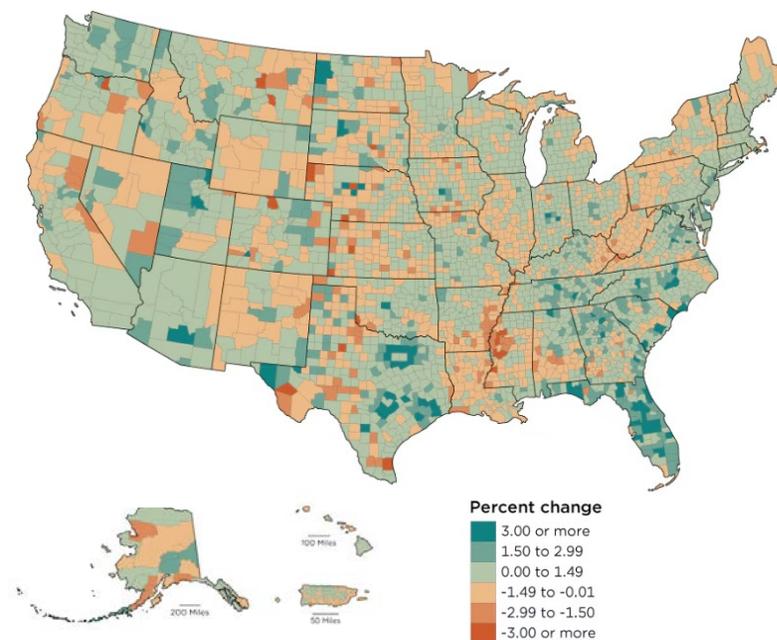
Top Projected Net Migration

Metro (2026-2030)	2026-2030 Net Migration (ths)	2026-2030 Average Annual Net Migration (ths) ¹
1 Houston	269.4	53.9
2 Dallas	192.4	38.5
3 Orlando	189.0	37.8
4 Phoenix	160.2	32.0
5 Atlanta	125.4	25.1
6 Tampa	99.5	19.9
7 Miami	59.5	11.9
8 Seattle	44.3	8.9
9 Denver	39.5	7.9
10 Minneapolis	27.2	5.4
11 Boston	-5.0	-1.0
12 San Francisco	-14.0	-2.8
13 Riverside	-21.2	-4.2
14 Washington D.C.	-31.2	-6.2
15 Philadelphia	-63.7	-12.7
16 San Diego	-67.6	-13.5
17 Detroit	-96.3	-19.3
18 Los Angeles	-131.0	-26.2
19 Chicago	-230.3	-46.1
20 New York	-302.8	-60.6

- **Moody's Analytics ranks Houston first among the 20 largest U.S. metros** for projected net migration from 2026 to 2030.
- Nearly 270,000 people are expected to move to the Houston metro during this period, averaging 53,900 new residents per year.

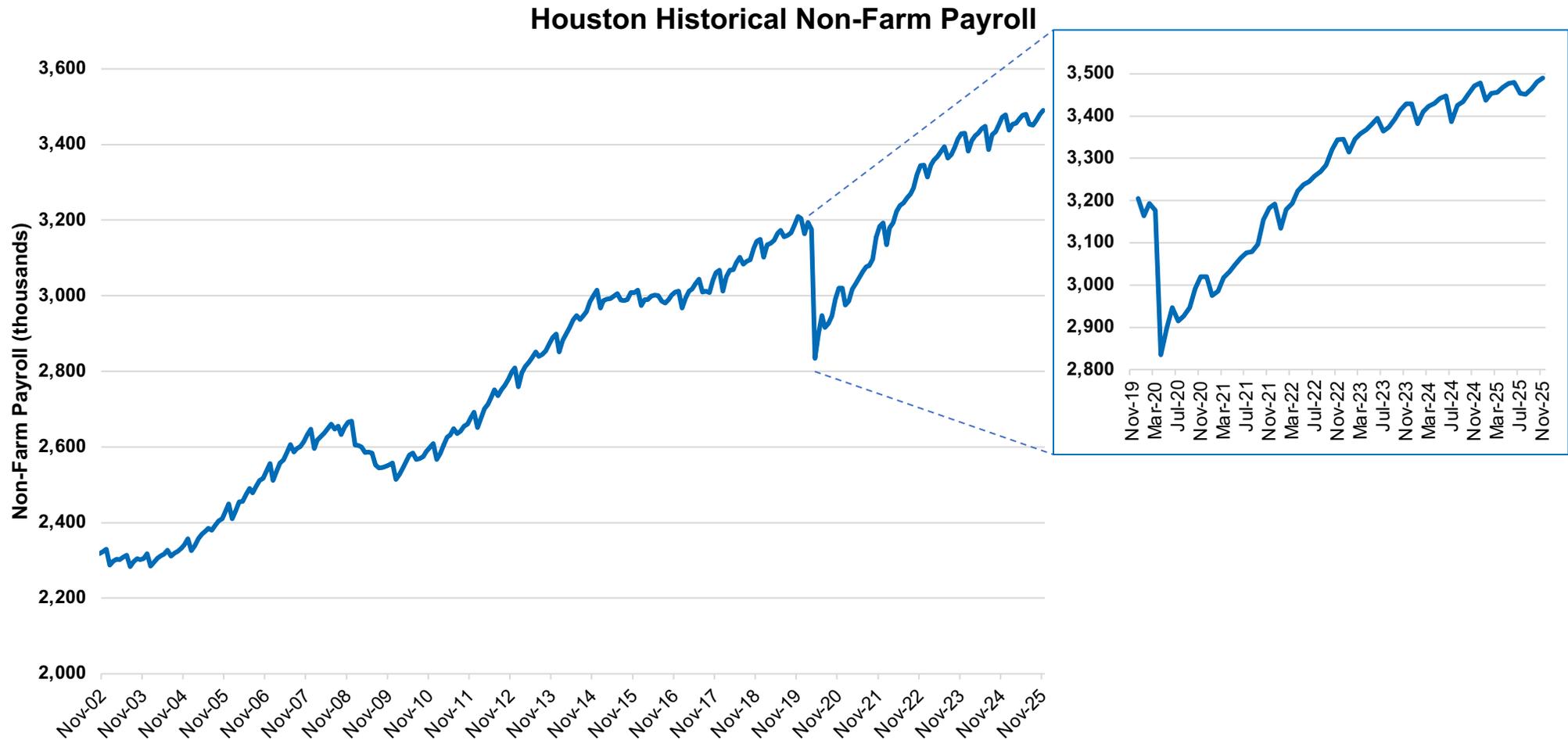
Counties With Highest Population Growth in The Nation

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%



- Texas is home to four of the nation’s 10 highest-growth counties, including two in the Houston MSA and two in Dallas-Fort Worth.
- From July 2023 to July 2024, Harris County added 105,852 residents—the highest increase of any U.S. county. Nearby Montgomery County also experienced notable growth, ranking ninth and seventh in numeric and percentage gains, respectively.
- In 2024, Harris County ranked third in most populous U.S. counties with 5,009,302 people.

Metro Employment Update



- In November 2025, the U.S. Bureau of Labor Statistics reported total non-farm payroll of 3,490,300, marking the **highest figures in the city's history**.
- Houston, which lost 359,000 jobs during the pandemic, has added back 655,500 jobs as of November 2025—recovering ~183% 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 approximately 18,500 jobs.

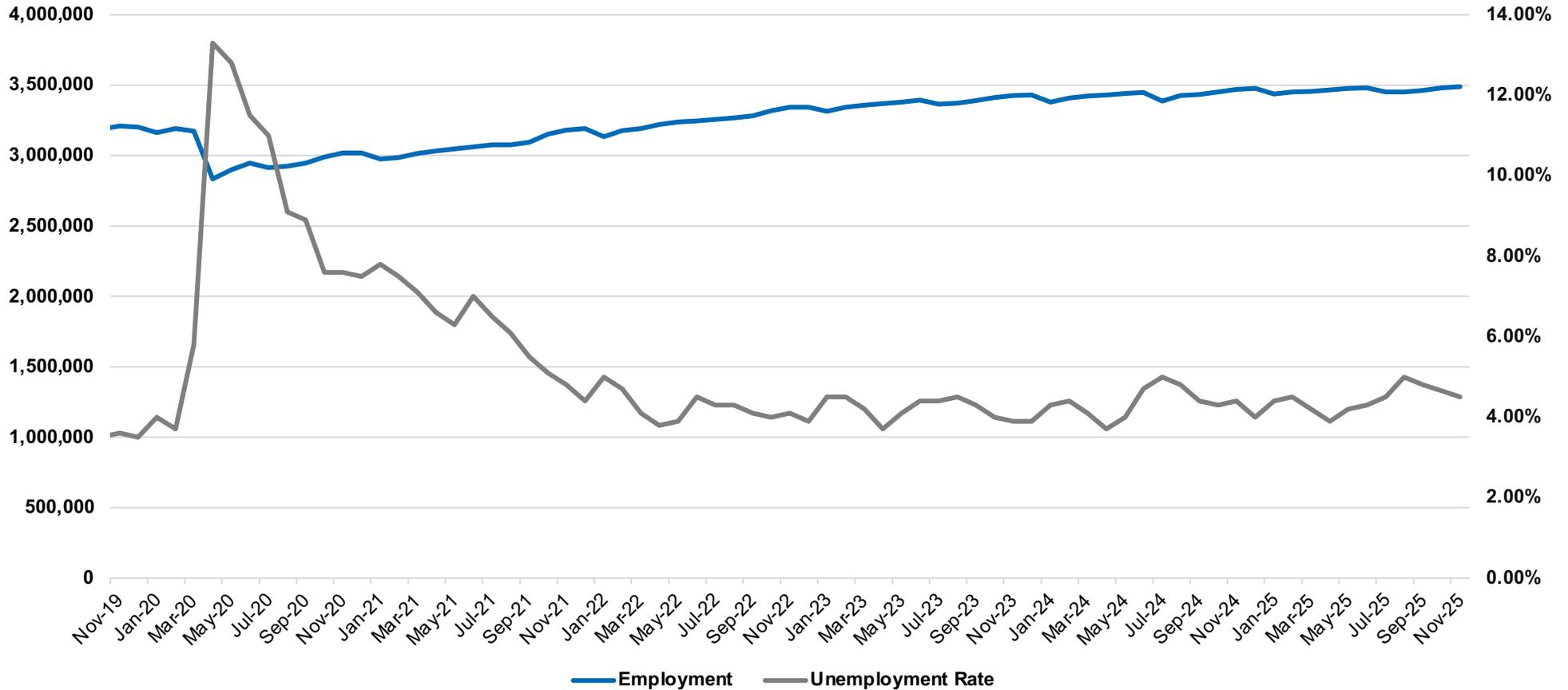
Metro Employment Update

	Metro (2026-2030)	Employment Growth (ths)	Employment Growth	Average Annual Job Growth
1	Houston	200.2	5.7%	50.1
2	Dallas	187.6	6.0%	46.9
3	Phoenix	150.8	6.1%	37.7
4	Atlanta	113.8	4.4%	28.4
5	Orlando	110.3	7.1%	27.6
6	Los Angeles	75.4	1.6%	18.9
7	Denver	71.9	4.4%	18.0
8	Minneapolis	66.8	3.3%	16.7
9	Seattle	58.4	3.9%	14.6
10	Tampa	51.8	4.8%	13.0
11	Miami	44.0	3.2%	11.0
12	Riverside	35.5	2.1%	8.9
13	Chicago	27.1	0.7%	6.8
14	San Diego	26.9	1.7%	6.7
15	San Francisco	21.2	1.9%	5.3
16	New York	21.0	0.3%	5.3
17	Boston	18.2	1.4%	4.6
18	Philadelphia	9.7	0.9%	2.4
19	Washington D.C.	-0.1	0.0%	0.0
20	Detroit	-6.1	-0.8%	-1.5

Moody's Analytics projects that Houston will add over 200,000 jobs from 2026 to 2030, ranking first in projected employment growth nationwide.

Metro Employment Update

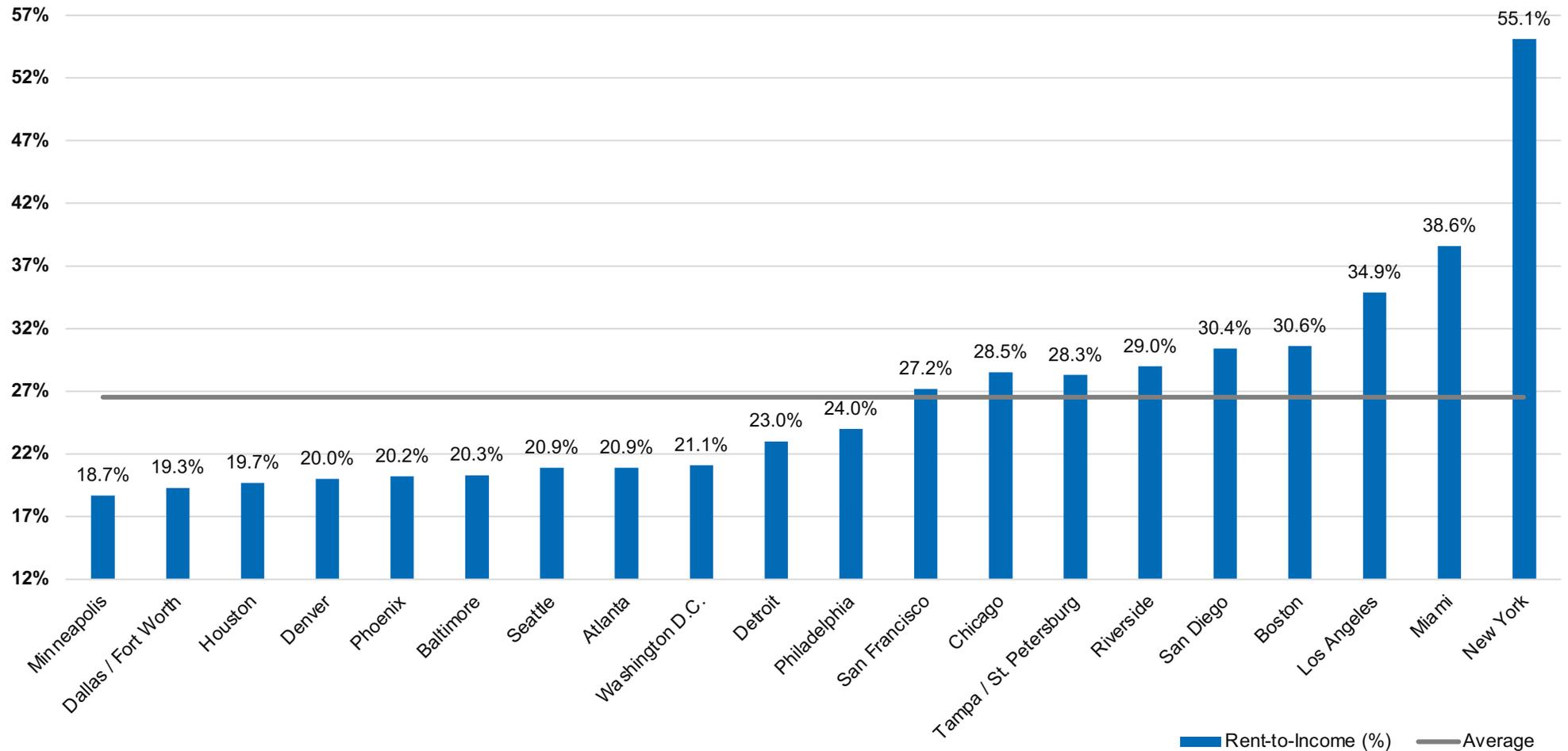
Houston Labor Force & Unemployment Rate



- In November 2025, Houston’s MSA unemployment rate was 4.5%, 0.9% below the monthly average since the pandemic’s onset.
- Statewide, Texas recorded a 4.2% unemployment rate, down significantly from its peak of 12.8% in April 2020.
- Nationally, U.S. unemployment stood at 4.5% in November 2025, a sharp decline from the high of 14.7% in April 2020.

Affordability Metrics

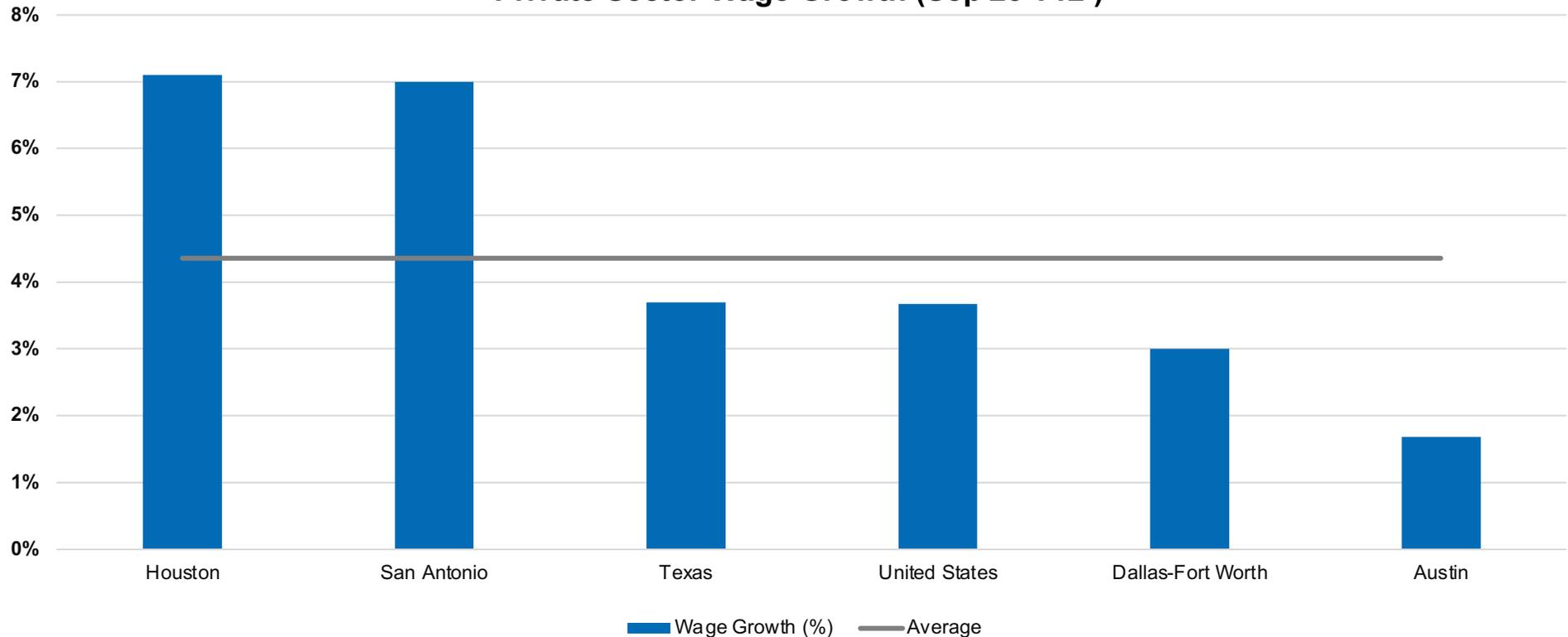
20 U.S. Metro Rent-to-Income Ratio



- Among the 20 largest U.S. metros, **Houston ranks third in projected rental affordability**, with a rent-to-income ratio of 19.7%, well below the 20 U.S. metro average of 26.5%.

Nation Leading Wage Growth

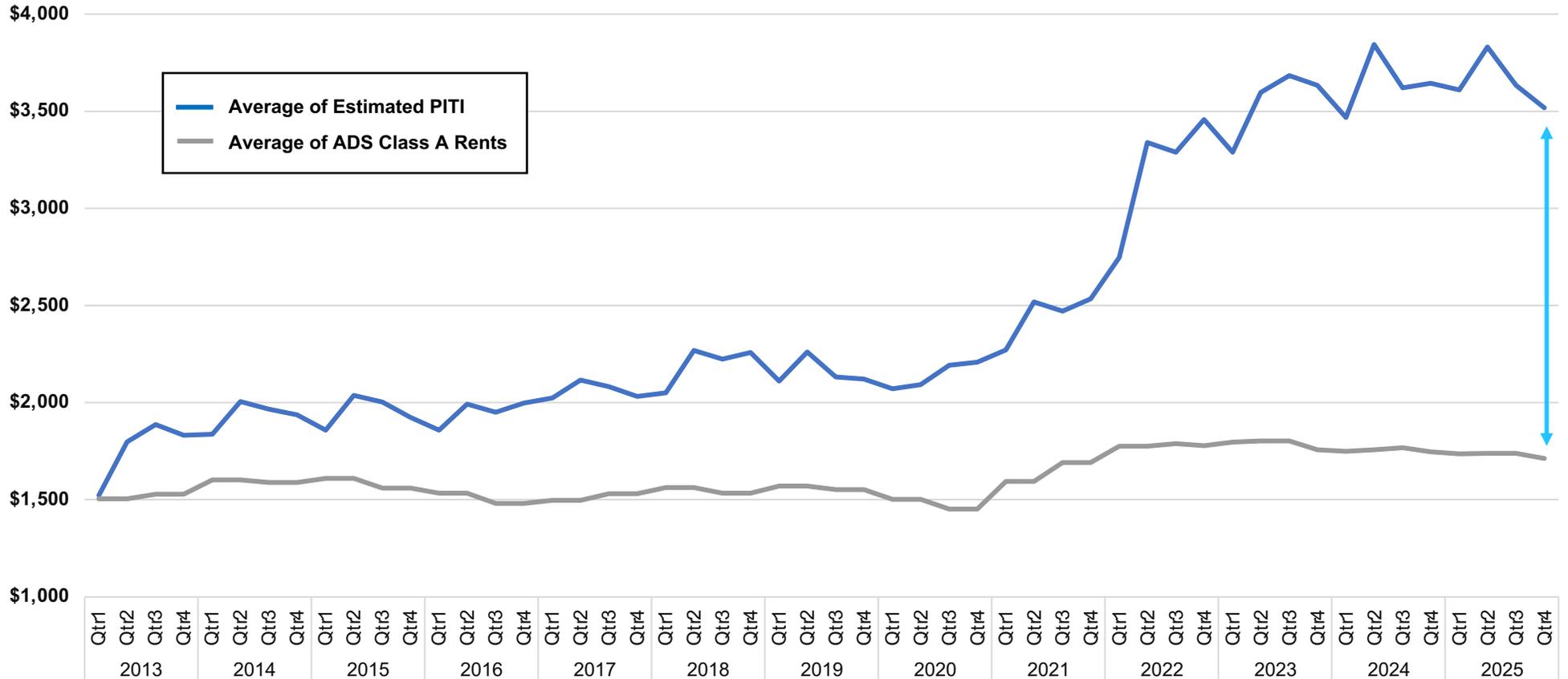
Private Sector Wage Growth (Sep'25 T12)



- **Houston ranks first in the nation in private sector wage growth** for the twelve-month period ending September 2025.
- Over this period, Houston workers took home ~7.1% more in earnings, equating to nearly double the statewide average.
- This growth signals both consumer stability and stronger purchasing power for Houston households.

Single-Family Market

Houston Metro – Rent vs. Own



- 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 \$3,514— nearly three times the average multifamily rent of \$1,258 and over double the average Class A rent of \$1,704. **The affordability gap between Class A rents and the estimated PITI for new homebuyers is close to its widest point in recent history.**

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.

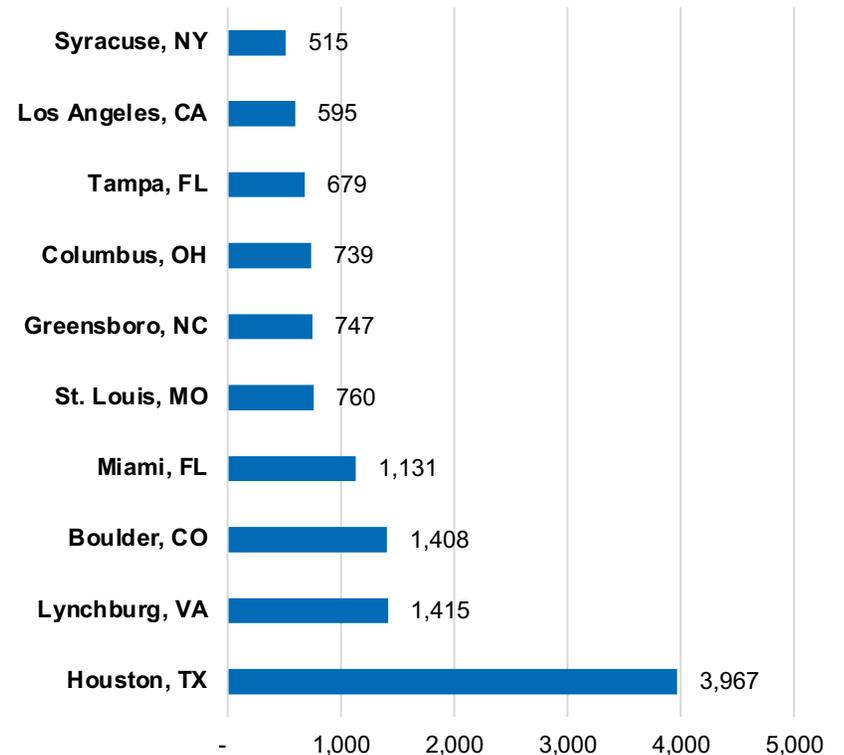
Oil and gas employment is now 25% below the peak levels seen during the fracking boom 10 years ago. **Despite these reductions, Houston's overall employment has surged by more than 497,000 over the same period, reflecting robust growth across other industries.** This diversification has reduced the city's 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. **Of the jobs created in Houston in 2024, one-in-twelve were in the renewable energy sector, nation leading growth that outpaces the next highest metro by nearly 3x.**

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)

Renewable Energy Jobs Added in 2024



“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.**”

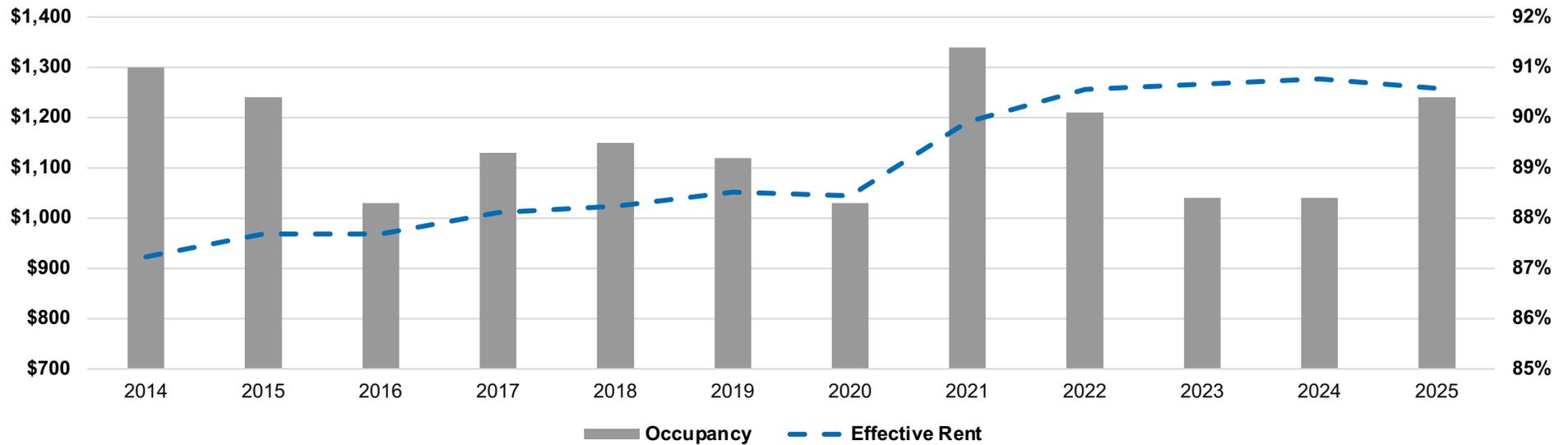
- Greater Houston Partnership

03 | Houston Multifamily Overview

NEWMARK



Historic Houston Multifamily Fundamentals



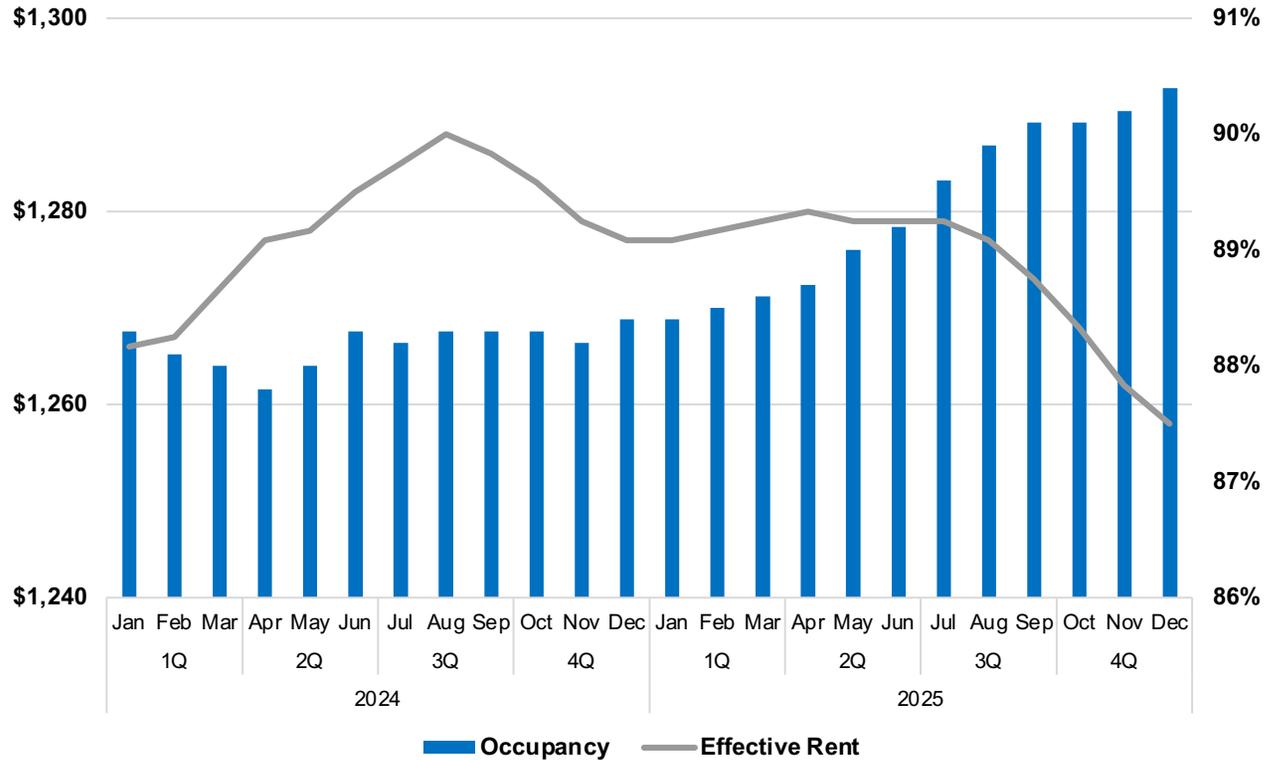
Year	Total Units	New Supply	Class A Units Absorbed	Occupancy	Effective Rent	Effective Rent Growth
2014	593,352	16,328	5,819	91.0%	\$923	7.7%
2015	612,130	17,076	6,655	90.4%	\$968	4.9%
2016	632,487	19,020	7,859	88.3%	\$968	0.0%
2017	645,559	13,968	12,993	89.3%	\$1,011	4.4%
2018	653,582	5,551	6,658	89.5%	\$1,024	1.3%
2019	671,743	17,234	8,082	89.2%	\$1,052	2.7%
2020	692,498	22,678	12,068	88.3%	\$1,045	-0.7%
2021	711,893	20,115	23,891	91.4%	\$1,191	14.0%
2022	727,417	16,781	13,219	90.1%	\$1,256	5.5%
2023	754,546	19,301	16,118	88.4%	\$1,267	0.9%
2024	777,437	19,024	21,526	88.4%	\$1,277	0.8%
2025	789,228	9,806	16,364	90.4%	\$1,258	-1.5%
10-Year Avg.	705,639	16,348	13,878	89.3%	\$1,135	2.7%

Multifamily Market Performance - All Classes

Market Snapshot

# of Properties	3,324
# of Units	789,228
Average Rent	\$1,258
Average Rent per SF	\$1.40
Average Occupancy	90.4%

All Classes Effective Rent & Occupancy



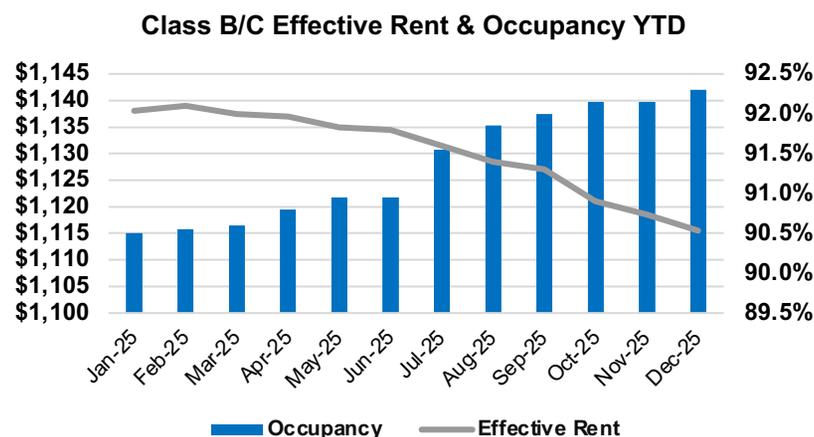
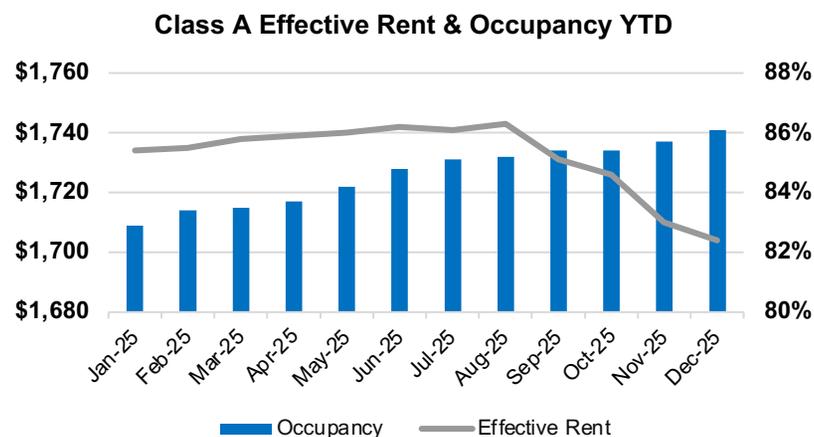
- Occupancy for all classes increased by 2.0% in 2025, reaching 90.4% in December. This is the highest occupancy mark for the Houston MSA since June 2022.
- Across the MSA, effective rents have risen by 3.5% since the start of 2022. Houston’s strong population and employment growth, coupled with limited new construction, has driven upward pressure on rents over the last few years.

Multifamily Market Performance By Class

Market Snapshot	Class A	Class B	Class C
# of Properties	804	1,252	882
# of Units	208,366	302,311	211,382
Average Rent	\$1,704	\$1,249	\$982
Average Rent PSF	\$1.80	\$1.39	\$1.15
Average Occupancy	90.2%*	92.1%	92.5%

*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 16,364 out of 208,366 units, representing approximately 7.9% 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.



4Q25 Effective Rent Growth and 2026–2029 Projections

RealPage Submarket	4Q25	2026-2029	RealPage Submarket	4Q25	2026-2029
West University/Medical Center/Third Ward	1.0%	1.9%	Memorial	-2.4%	1.7%
Baytown	0.6%	2.4%	Champions East	-2.5%	1.9%
Alief	0.1%	2.5%	Galleria/Uptown	-2.7%	0.3%
East Inner Loop	-0.1%	-0.1%	Spring Branch	-2.7%	1.6%
Galveston/Texas City	-0.2%	2.0%	Bear Creek	-2.7%	2.1%
Sharpstown/Fondren Southwest	-0.7%	2.2%	Conroe/Montgomery County	-2.8%	2.2%
Cypress/Waller	-0.8%	2.1%	Sugar Land/Stafford	-2.9%	2.3%
Spring/Tomball	-0.8%	2.3%	Brazoria County	-2.9%	1.8%
Clear Lake	-0.8%	1.9%	Northeast Houston	-3.1%	1.8%
Pasadena/Southeast Houston	-1.1%	2.1%	North Central Houston	-3.3%	2.3%
Champions West	-1.4%	2.0%	Greater Heights/Washington Avenue	-3.5%	1.4%
Friendswood/Pearland	-1.6%	2.1%	Westchase	-3.7%	1.4%
Rosenberg/Richmond	-1.8%	2.4%	Greenway/Upper Kirby	-3.7%	1.6%
Humble/Kingwood	-2.2%	2.1%	Braeswood Place/Astrodome/South Union	-3.7%	1.9%
Northwest Houston	-2.2%	2.4%	Downtown/Montrose/River Oaks	-3.8%	1.1%
Houston MSA	-2.2%	1.9%	Katy	-4.4%	2.6%
The Woodlands	-2.3%	3.2%	Far West Houston	-4.8%	1.8%
Gulfton/Westbury	-2.3%	2.1%	Hobby Airport	-5.8%	1.1%

- Rent growth is projected to accelerate over the next several years, with nearly every submarket in the Houston MSA anticipated to experience positive rent growth from 2026 through 2029.

Submarket Construction Pipeline

Submarket	Current Occupancy	UNITS DELIVERED			UNITS UNDER CONSTRUCTION		
		2023	2024	2025	2026 Deliveries	2027 Deliveries	Total Deliveries
Infill							
Med Center/ Braes Bayou	90.9%	317	0	0	475	0	475
Montrose/ Museum/ Midtown	85.9%	667	633	959	134	330	464
Heights/ Washington Ave.	88.9%	812	1,715	1,332	225	214	439
Galleria/Uptown	90.3%	0	0	0	172	248	420
Highland Village/ Upper Kirby/ West U	91.9%	0	0	209	0	317	317
Infill Total		2,810*	4,269*	3,155*	1,006	1,109	2,115
Non-Infill							
Katy/ Cinco Ranch/ Waterside	87.7%	3,799	3,811	2,106	3,043	1,047	4,090
Woodlands/ Conroe South	89.3%	264	494	568	698	882	1,580
Sugar Land/ Stafford/ Sienna	90.9%	970	614	366	893	376	1,269
Richmond/ Rosenberg	92.2%	1,268	0	0	1,053	0	1,053
Clear Lake/ Webster/ League City	93.0%	675	380	0	0	658	658
Tomball/ Spring	88.9%	1,708	2,011	0	644	0	644
Lake Houston/ Kingwood	89.6%	596	611	814	624	0	624
Northline	91.8%	243	477	0	541	0	541
Conroe North/ Montgomery	88.3%	846	1,165	0	504	0	504
Willowbrook/ Champions/ Ella	90.3%	798	250	0	461	0	461
Hwy 288 South/ Pearland West	91.0%	570	216	358	377	0	377
Almeda/ South Main	90.9%	378	0	0	350	0	350
Jersey Village/Cypress	91.5%	466	0	288	339	0	339
Friendswood/ Pearland East	93.6%	0	0	0	111	0	111
I-69 North	88.9%	0	304	0	90	0	90
Pasadena/ Deer Park/ La Porte	89.6%	518	291	0	81	0	81
Non-Infill Total		16,491*	14,755*	6,651*	9,809	2,963	12,772
Grand Total		19,301*	19,024*	9,806*	10,815	4,072	14,887

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

Non-infill submarkets account for 85.8% of upcoming supply, with the remaining developments located in infill areas.

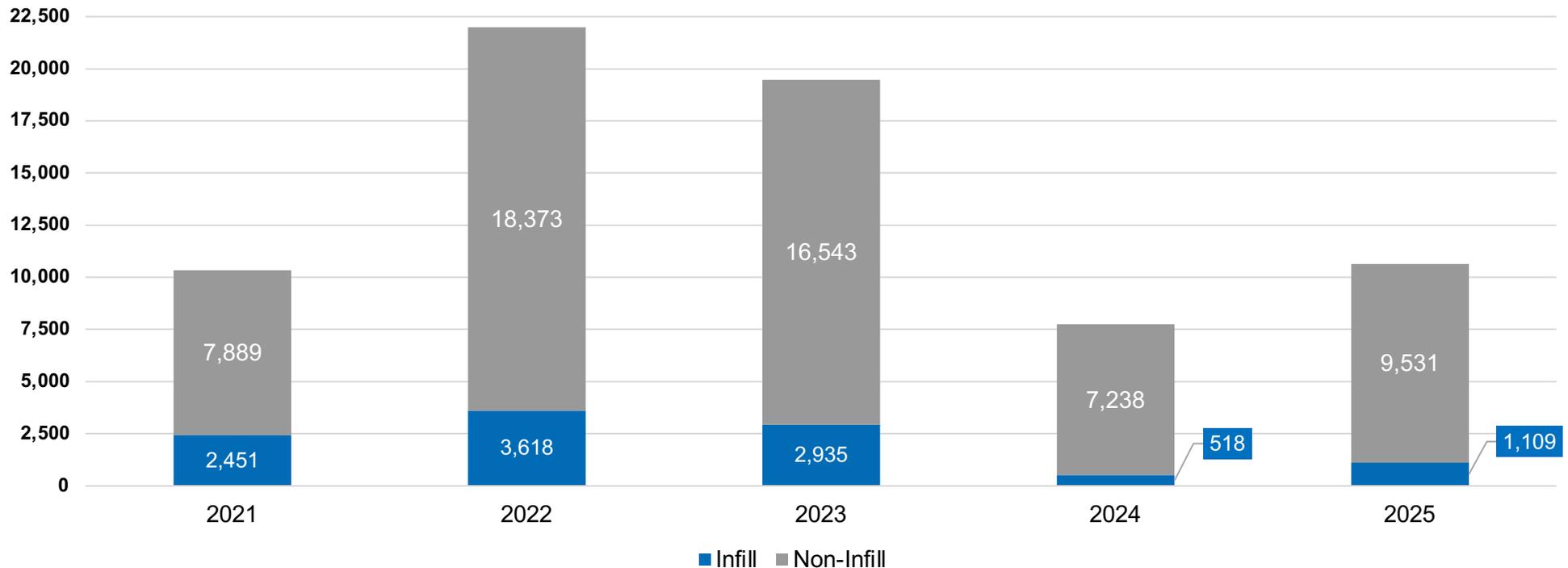
Submarket Construction Starts

Submarket	CONSTRUCTION STARTS					
	2021 Starts	2022 Starts	2023 Starts	2024 Starts	2025 Starts	Total Starts (2021-2025)
Infill						
Heights/ Washington Ave.	812	991	1,763	518	214	4,298
Montrose/ Museum/ Midtown	667	935	791	0	330	2,723
Downtown	655	1,217	0	0	0	1,872
Med Center/ Braes Bayou	317	475	0	0	0	792
Highland Village/ Upper Kirby/ West U	0	0	209	0	317	526
Galleria/Uptown	0	0	172	0	248	420
Infill Total	2,451	3,618	2,935	518	1,109	10,361
Non-Infill						
Katy/ Cinco Ranch/ Waterside	1,411	3,799	4,477	3,087	2,059	14,833
Tomball/ Spring	476	1,939	1,780	0	944	5,139
Bear Creek/ Copperfield/ Fairfield	1,055	1,780	1,319	589	0	4,743
Woodlands/ Conroe South	429	264	1,062	0	1,580	3,335
Sugar Land/ Stafford/ Sienna	0	970	614	366	1,269	3,219
Lake Houston/ Kingwood	447	596	611	814	624	3,092
Conroe North/ Montgomery	317	1,086	1,104	0	325	2,832
Energy Corridor/ CityCentre/ Briar Forest	648	326	1,407	0	0	2,381
Richmond/ Rosenberg	0	1,268	0	0	1,053	2,321
Hwy 288 South/ Pearland West	516	570	216	358	377	2,037
Clear Lake/ Webster/ League City	625	675	380	0	336	2,016
Willowbrook/ Champions/ Ella	239	798	250	461	0	1,748
Memorial/ Spring Branch	361	400	965	0	0	1,726
Jersey Village/Cypress	394	466	0	288	339	1,487
Northline	0	243	477	266	275	1,261
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	378	0	0	350	728
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
Brookhollow/ Northwest Crossing	0	0	371	0	0	371
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
U of H/ I-45 South	0	0	0	284	0	284
Non-Infill Total	7,889	18,373	16,543	7,238	9,531	59,574
Grand Total	10,340	21,991	19,478	7,756	10,640	70,205

Non-infill submarkets have comprised 84.4% of all construction starts from 2021 to 2025, with the remainder in infill areas.

Construction Starts Analysis

Houston MSA Construction Starts By Year

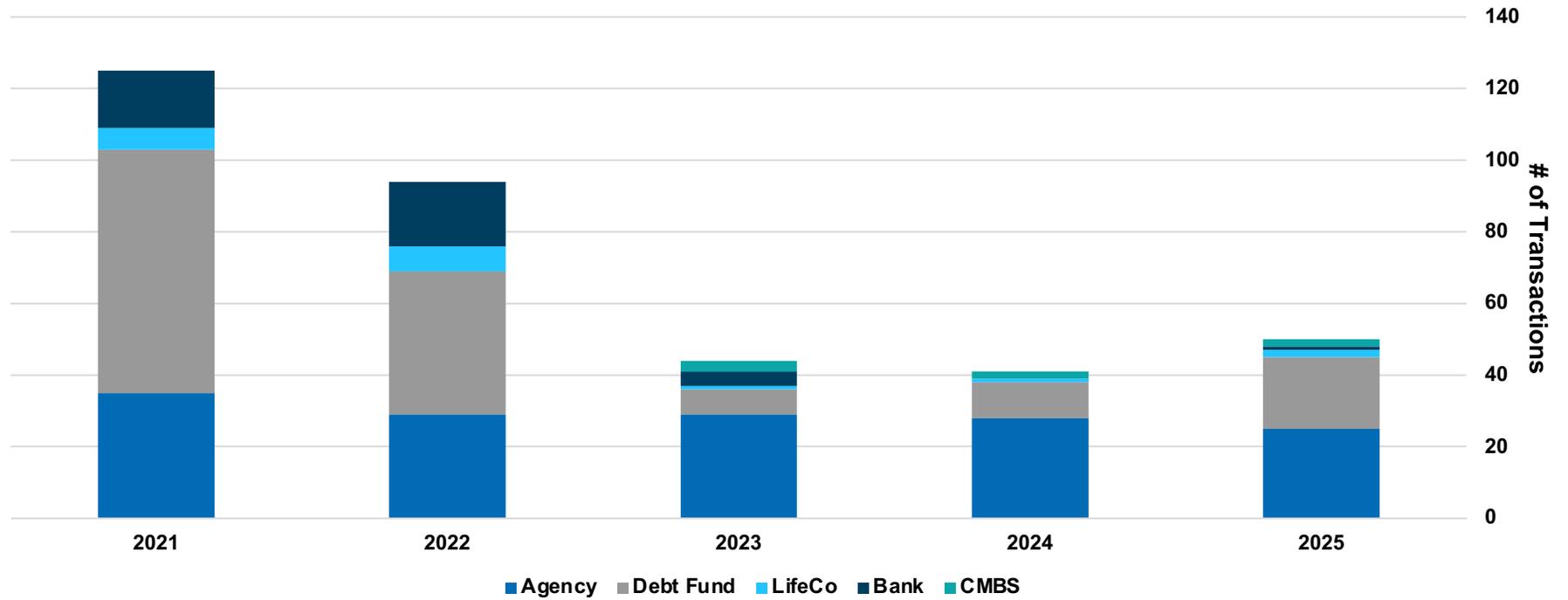


	2021 Starts	2022 Starts	2023 Starts	2024 Starts	2025 Starts
Infill	2,451	3,618	2,935	518	1,109
Non-Infill	7,889	18,373	16,543	7,238	9,531
Total	10,340	21,991	19,478	7,756	10,640
% Change	--	113%	-11%	-60%	37%

– 2025 construction starts increased by 37% from 2024 but are still well below the 5-year average of 14,041.

Newmark Houston Debt Transactions

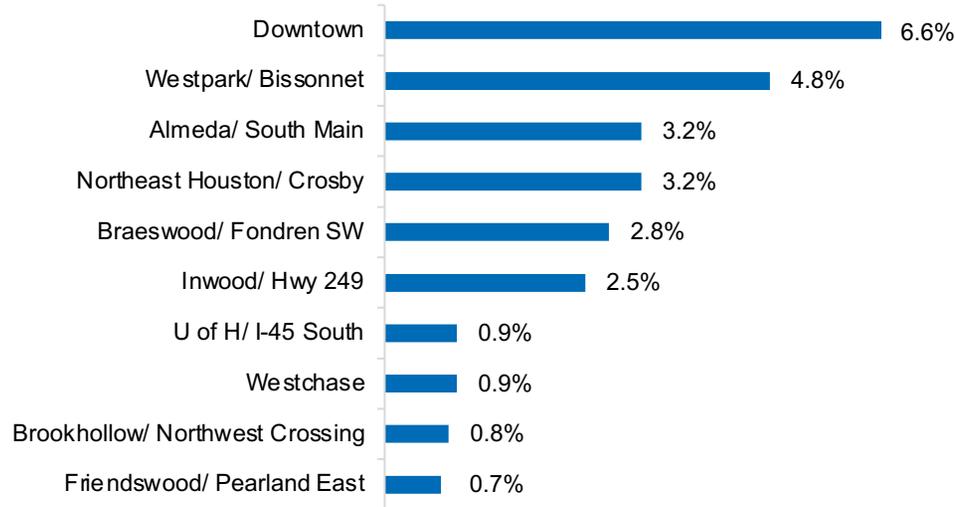
Newmark Houston Debt Capitalizations Over Time



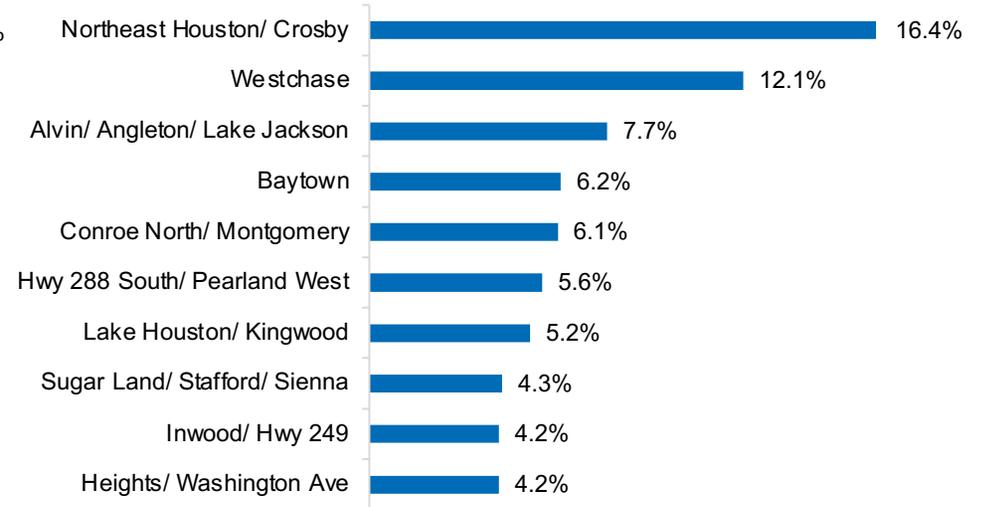
	2021	2022	2023	2024	2025
Agency	28%	31%	66%	70%	50%
Debt Fund	54%	43%	23%	24%	40%
LifeCo	5%	7%	2%	1%	4%
Bank	13%	19%	9%	0%	2%
CMBS	0%	0%	0%	4%	4%

Houston Submarket Rankings

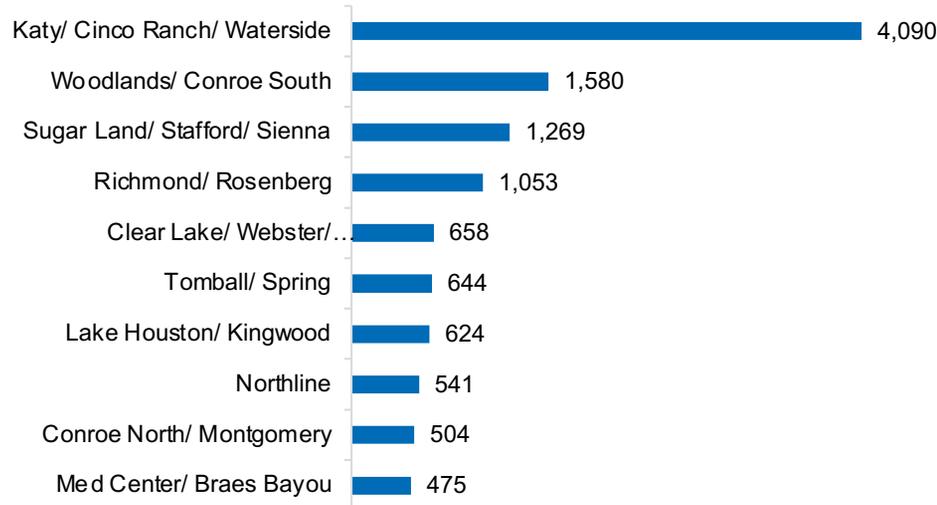
Rental Rate Growth (Trailing 3 Months)



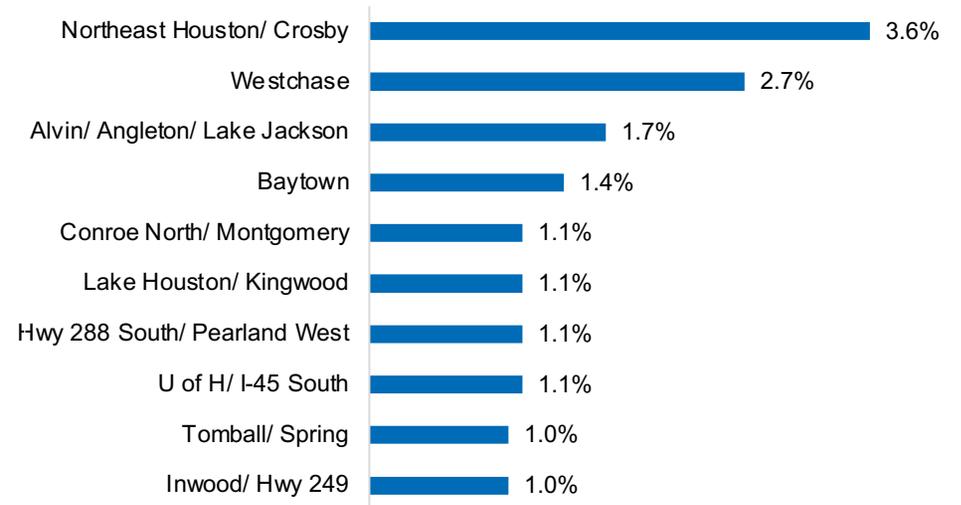
Occupancy Growth (Trailing 3 Months)



Units Under Construction

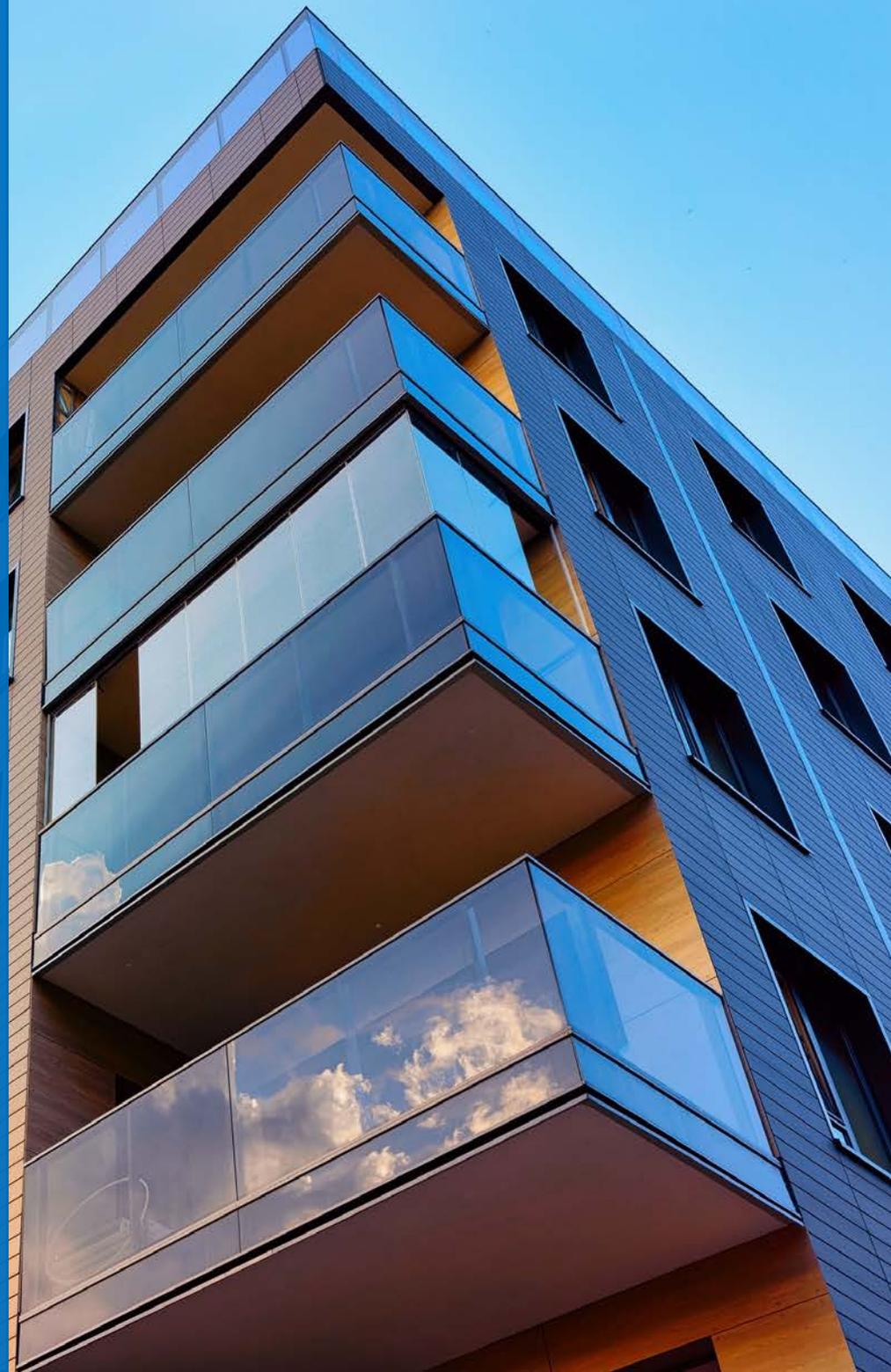


Percent of Market Absorbed (Trailing 3 Months)

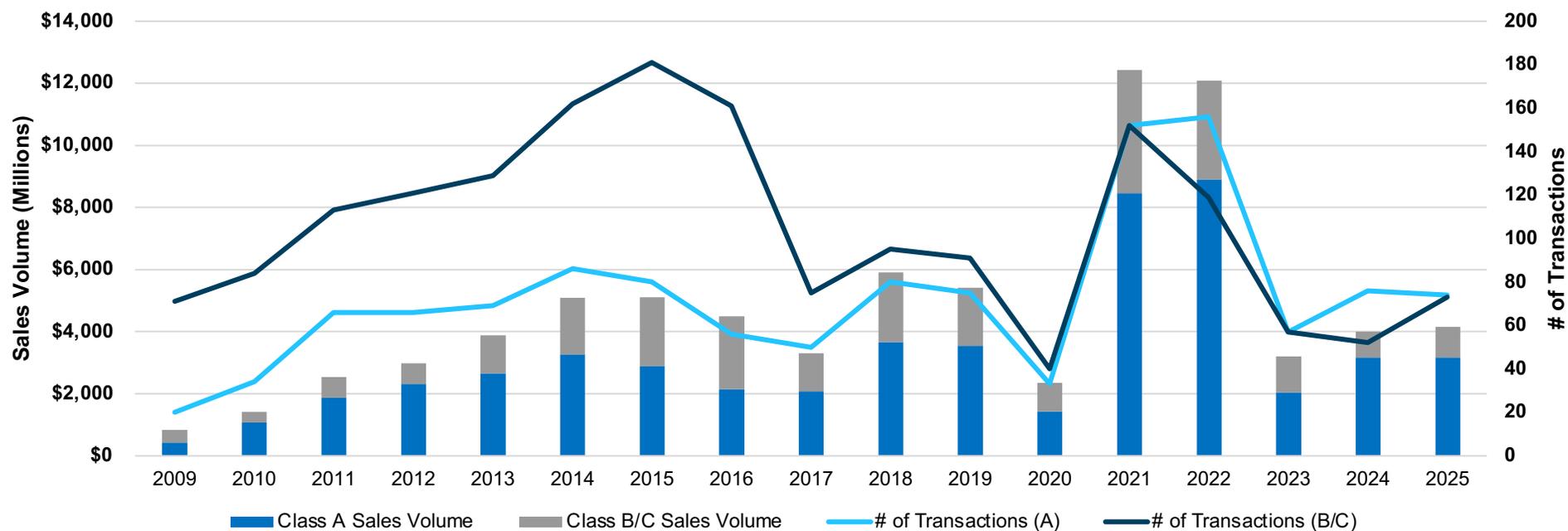


04 | Houston Transaction Trends

NEWMARK

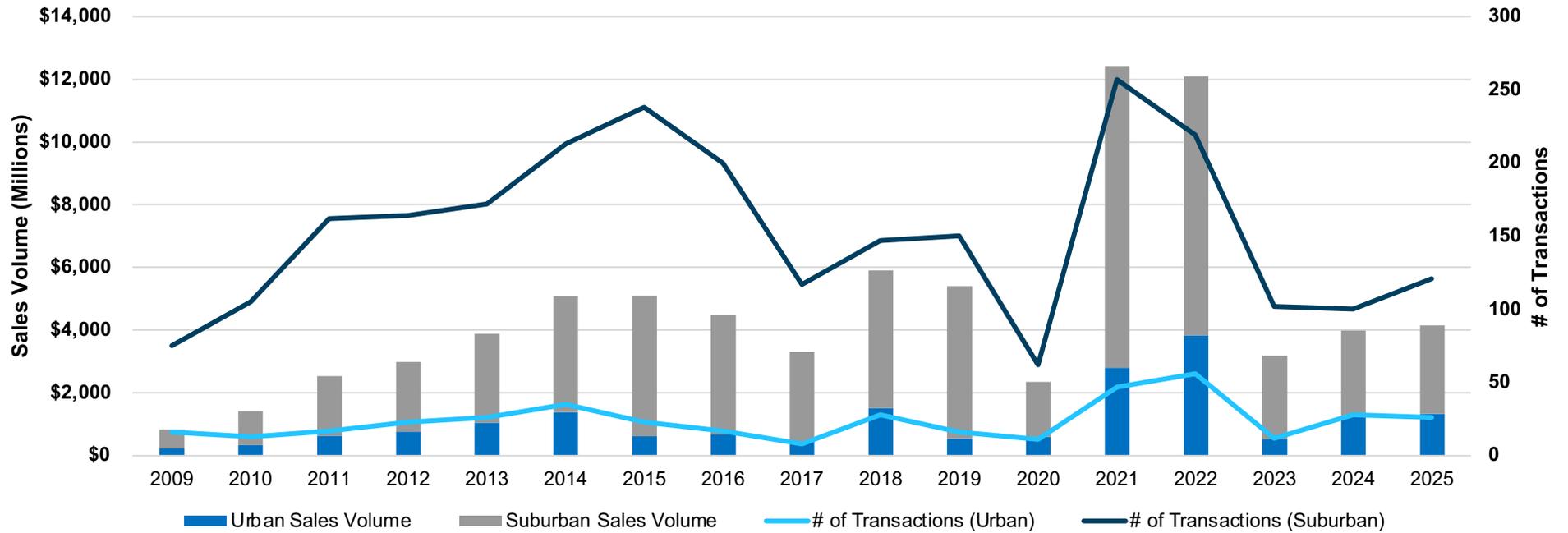


Multifamily Transaction Activity by Class



Year (volume in millions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	\$4,153
# of Transactions (Total)	91	118	179	187	198	248	261	217	125	175	166	73	304	275	114	128	147
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	\$3,163
# of Transactions (A)	20	34	66	66	69	86	80	56	50	80	75	33	152	156	57	76	74
% of Transactions (A)	22%	29%	37%	35%	35%	35%	31%	26%	40%	46%	45%	45%	50%	57%	50%	59%	50%
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	\$990
# of Transactions (B/C)	71	84	113	121	129	162	181	161	75	95	91	40	152	119	57	52	73
% of Transactions (B/C)	78%	71%	63%	65%	65%	65%	69%	74%	60%	54%	55%	55%	50%	43%	50%	41%	50%

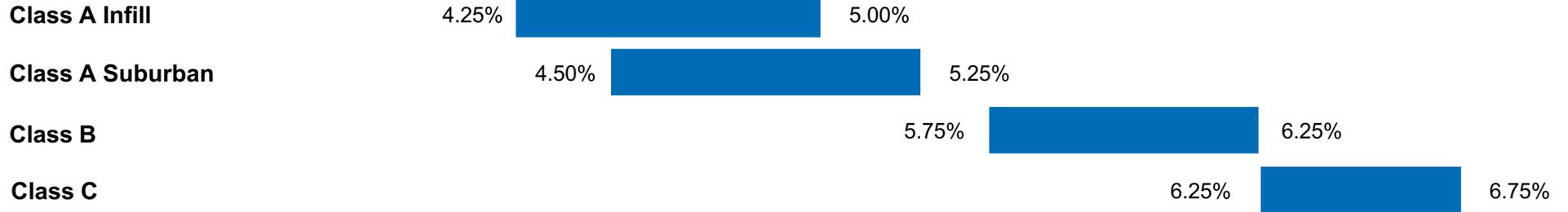
Multifamily Transaction Activity – Urban vs Suburban



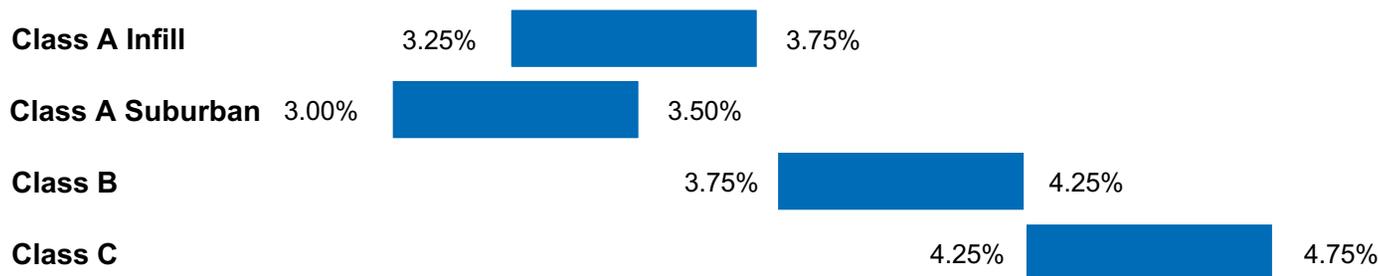
Year (volume in millions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Volume	\$837	\$1,416	\$2,540	\$2,984	\$3,880	\$5,093	\$5,101	\$4,491	\$3,298	\$5,904	\$5,414	\$2,346	\$12,423	\$12,086	\$3,195	\$3,996	\$4,153
# of Transactions (Total)	91	118	179	187	198	248	261	217	125	175	166	73	304	275	114	128	147
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	\$1,332
# of Transactions (Urban)	16	13	17	23	26	35	23	17	8	28	16	11	47	56	12	28	26
% of Transactions (Urban)	18%	11%	9%	12%	13%	14%	9%	8%	6%	16%	10%	15%	15%	20%	11%	22%	18%
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	\$2,821
# of Transactions (Suburban)	75	105	162	164	172	213	238	200	117	147	150	62	257	219	102	100	121
% of Transactions (Suburban)	82%	89%	91%	88%	87%	86%	91%	92%	94%	84%	90%	85%	85%	80%	89%	78%	82%

Newmark's Current Estimate of Houston Cap Rates

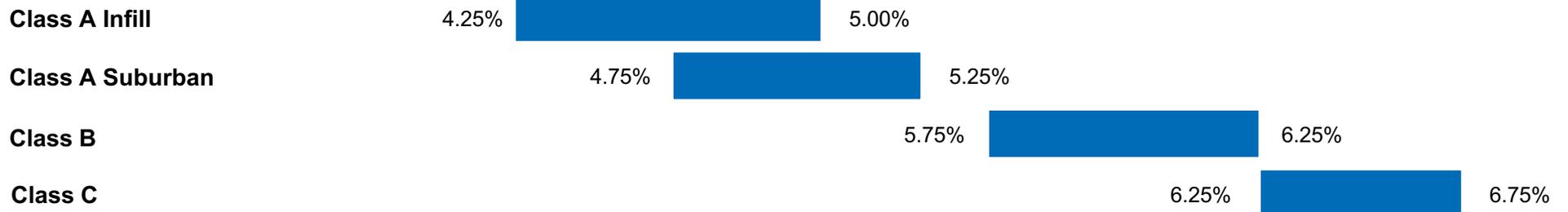
4Q24 Cap Rates



Market Peak Cap Rates



4Q25 Cap Rates



Replacement Cost Tracker

Workforce WF		Per SF	Per Unit
Land	WF	\$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	MP	\$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	G	\$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	MCP	\$150 - \$225	\$50K - \$70K
Hard Costs		\$300 - \$325	\$240K - \$295K
Soft Costs		15% - 20%	\$45K - \$75K
ALL-IN COST			\$350K - \$400K

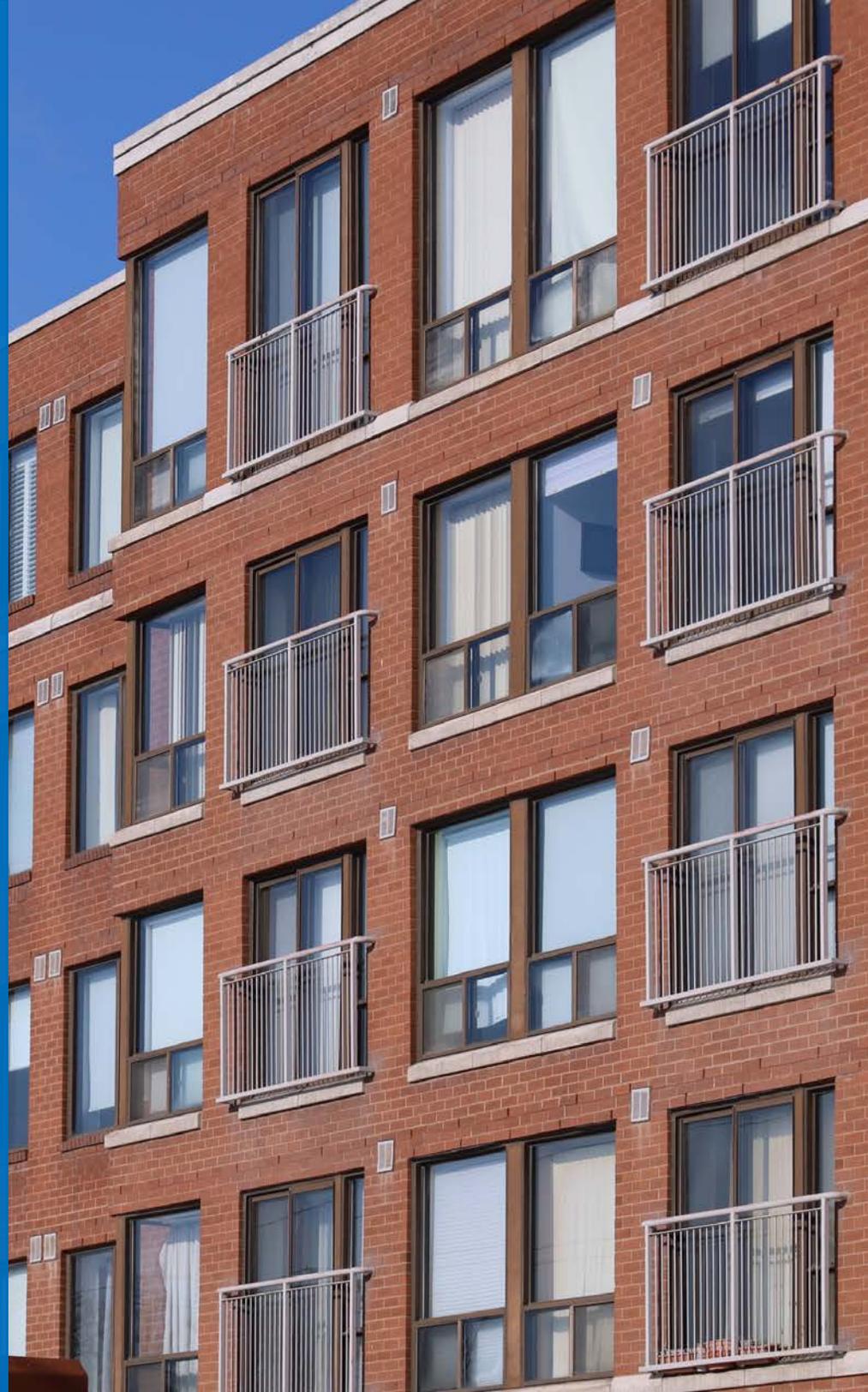
4-Story Surface Park 4S		Per SF	Per Unit
Land	4S	\$15 - \$40	\$20K - \$35K
Hard Costs		\$160 - \$175	\$155K - \$185K
Soft Costs		15% - 20%	\$20K - \$35K
ALL-IN COST			\$195K - \$225K

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

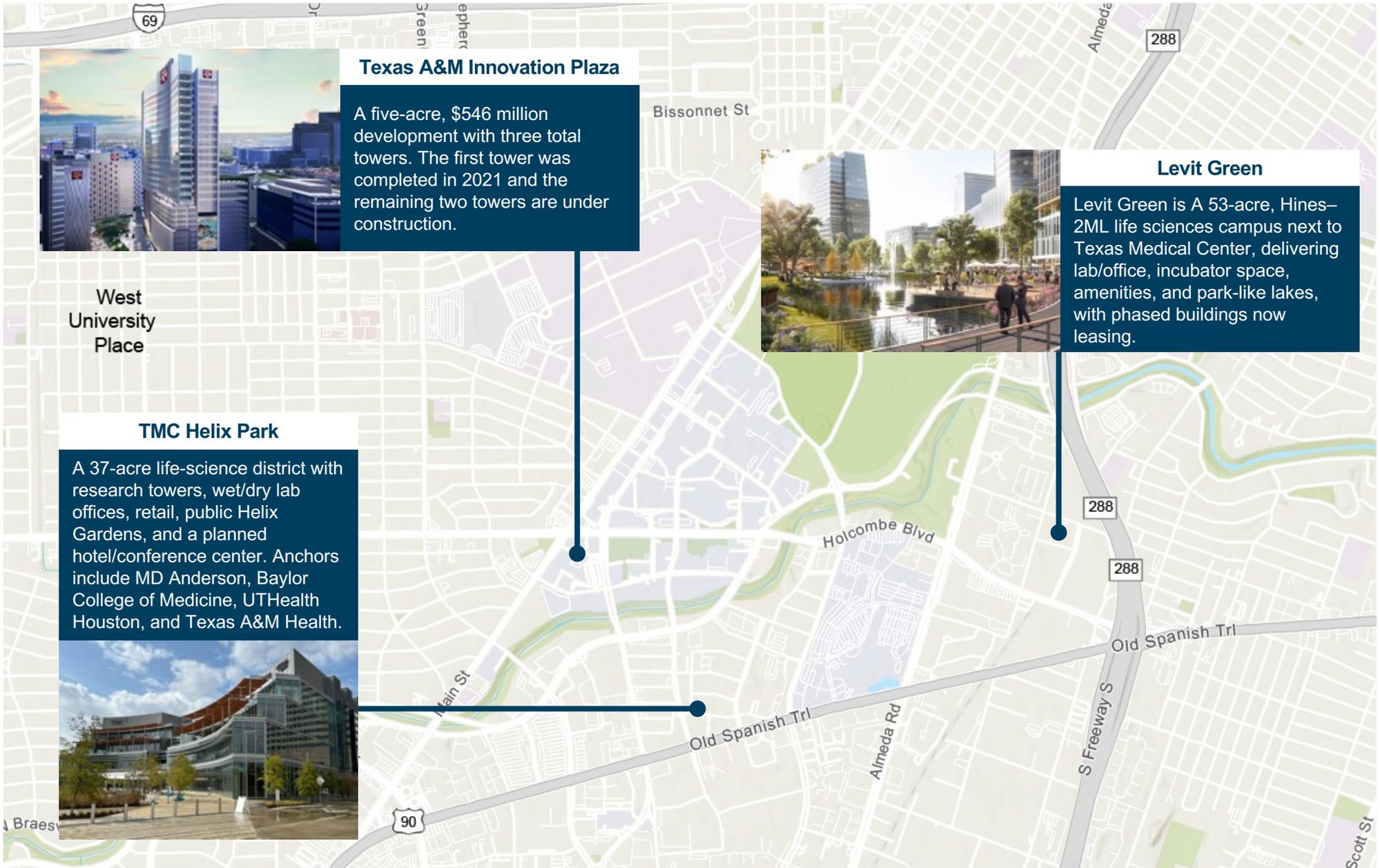
Mid-Rise Stick Wrap MW		Per SF	Per Unit
Land	MW	\$50 - \$150	\$40K - \$60K
Hard Costs		\$210 - \$230	\$165K - \$215K
Soft Costs		15% - 20%	\$30K - \$45K
ALL-IN COST			\$240K - \$280K

05 | Appendix

NEWMARK



Continued Growth Of A World-Class Healthcare Industry



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

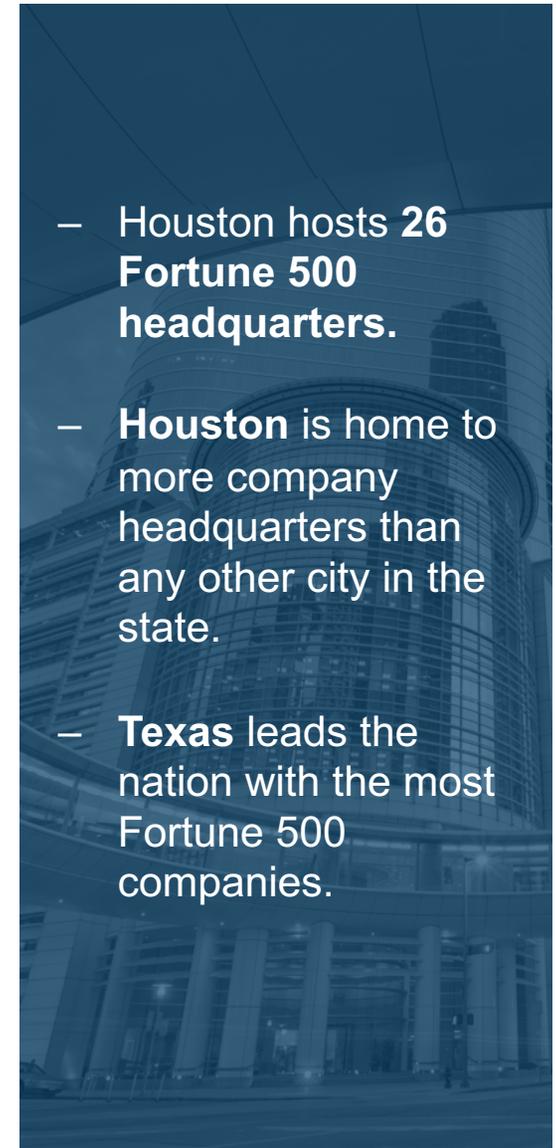
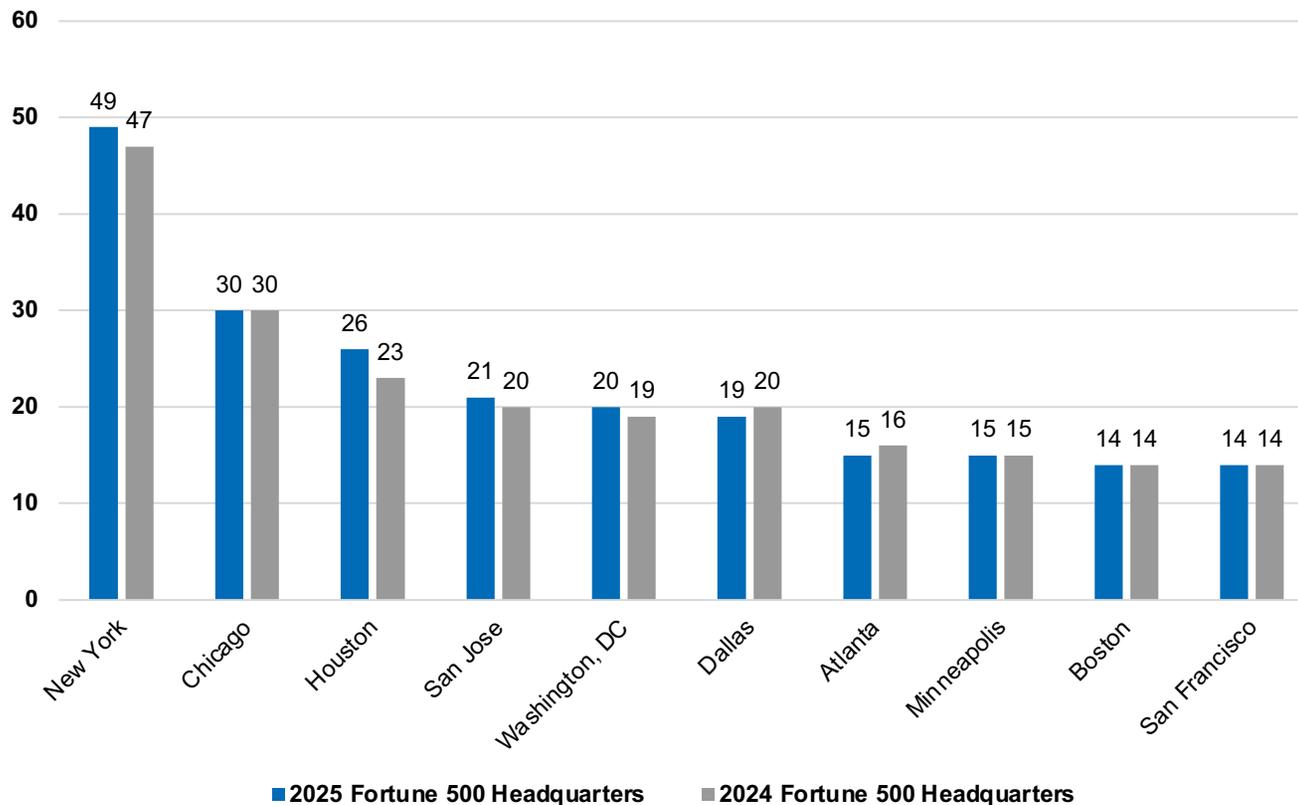


A Top Three US City for Fortune 500 Companies

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).

Fortune 500 Headquarters



- 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.

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 is a four-block mixed-use campus in Downtown Houston, redeveloped by Midway and Lionstone. It offers offices, dining, retail, entertainment, and The Laura Hotel, anchored by House of Blues and Life Time around a central event lawn near METRORail, the Convention District, and Discovery Green.

Offices at 2, 3, and 4 GreenStreet feature flexible floorplates, spec suites, conferencing, lounges, parking, coworking, and ground-floor food-and-beverage. Year-round programming—live music, pop-ups, and corporate events—drives day-and-night activity for creative and enterprise tenants.

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 first phase of the office and retail were completed in late 2024 and the 359-unit multifamily complex recently stabilized.

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 square feet of Class A office space, and 100,000 square feet of retail space surrounding a central park.

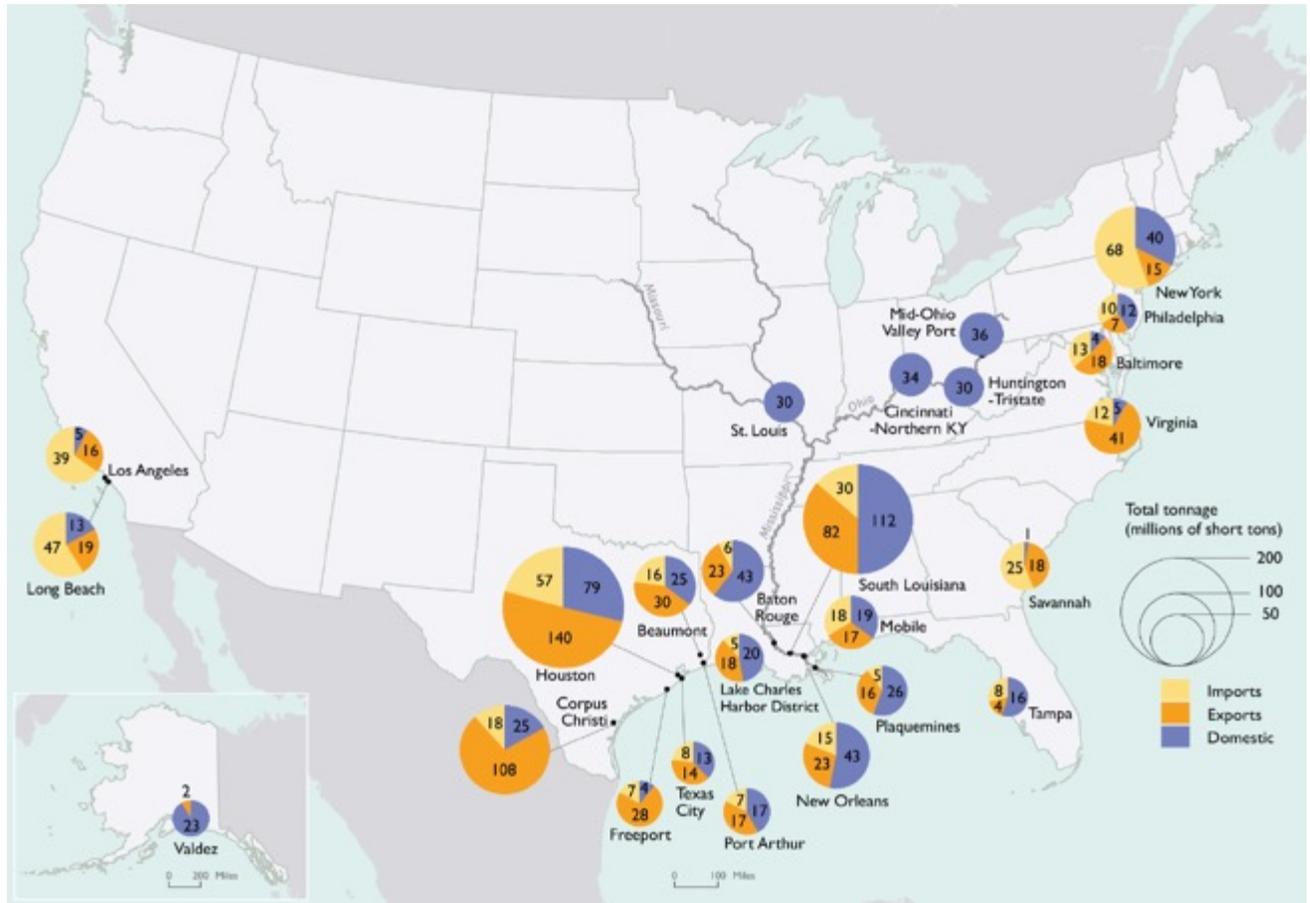


Port of Houston

Export Volume (Billions)



- #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 74% 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: 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

FASTEST-GROWING U.S. COUNTY (HARRIS)

U.S. Census – March 2025

PRIVATE-SECTOR WAGE EARNINGS GROWTH NATIONALLY

CoStar – January 2026

PROJECTED EMPLOYMENT & POPULATION GROWTH (2026 - 2030)

Moody's Analytics – January 2026

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 & World Report – 2023–2024

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 – June 2023

#2

U-HAUL'S TOP RELOCATION DESTINATION IN US (2025)

U-Haul Growth Index – January 2026

MOST DIVERSE MAJOR CITY IN AMERICA (2025)

WalletHub – March 2025

U.S. METRO HOME TO FORTUNE 500 COMPANIES

Fortune (via Houston Chronicle) – June 2023

TOP 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

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