

# Houston multifamily records more occupancy gains after a strong 2024; construction deliveries slow

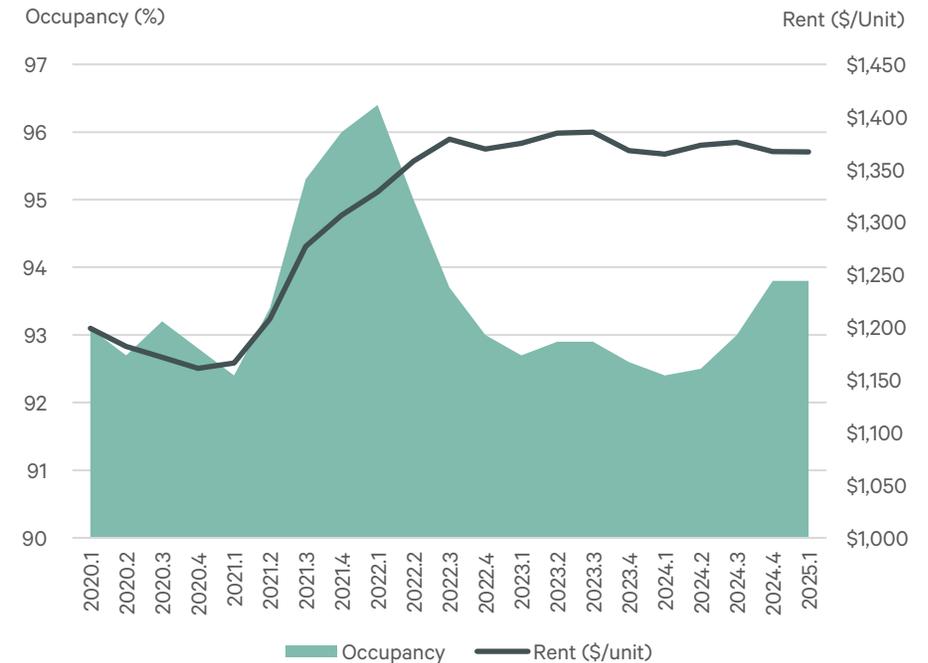


Note: Arrows indicate change from previous quarter.  
 Source: CBRE Econometric Advisors, Q1 2025.

## MARKET HIGHLIGHTS

- The Houston multifamily market closed out the first quarter of 2025 with more occupancy growth. Occupancy remains at nearly 94%, its highest rate since 2022, driven by outperformance in submarkets like Memorial and West University/Medical Center.
- Continuing the ‘flight to quality’ trend, the projects with the highest occupancy and rental rates are those built after 2010.
- Average rents remained at \$1,367 per month, though submarkets like Galleria/Uptown, and Downtown/Montrose/River Oaks saw YoY growth in excess of 2.3%. North Central Houston saw a YoY increase of 4.2%.
- Encouragingly for the stabilization of occupancy and rents in the multifamily market, completions saw a 77% slowdown in Q1; this quarter saw the lowest number of deliveries since before COVID. This was expected due to the diminishment of the construction pipeline in recent quarters.
- Though investment volumes fell in Q1 due to challenging financing conditions, nearly a half billion in product traded hands, with the majority of sales being seen in 2010+ vintage and 2000s vintage properties.

FIGURE 1: Occupancy and Average Rent Per Unit



Source: CBRE Econometric Advisors, Q1 2025.

## Market Overview

FIGURE 2: Market Statistics by Submarket

Market	Inventory (Units)	Rent Per Unit	Completions (Units)	Net Absorption (Units)	Vacancy Rate (%)
Total Market	712,684	\$1,367	1,046	732	6.2
Alief	16,813	\$1,075	0	90	4.8
Baytown	10,845	\$1,155	0	(161)	9.9
Bear Creek	17,349	\$1,292	0	(30)	5.9
Braeswood Place/Astrodome/South Union	22,612	\$1,309	0	(157)	6.8
Brazoria County	11,811	\$1,091	0	(17)	6.9
Champions East	26,455	\$1,069	0	152	8.3
Champions West	17,800	\$1,303	0	(37)	6.3
Clear Lake	30,674	\$1,299	0	42	5.6
Conroe/Montgomery County	15,764	\$1,276	32	40	6.9
Cypress/Waller	6,209	\$1,491	0	(11)	6.8
Downtown/Montrose/River Oaks	32,752	\$2,147	0	(31)	6.4
East Inner Loop	15,138	\$1,459	31	(7)	6.7
Far West Houston	27,031	\$1,220	0	106	5.9
Friendswood/Pearland	11,956	\$1,469	112	94	5.7
Galleria/Uptown	27,581	\$1,558	0	48	6.6
Galveston/Texas City	17,255	\$1,247	0	158	7.0
Greater Heights/Washington Avenue	20,833	\$1,779	209	140	6.5
Greenway/Upper Kirby	23,755	\$2,030	0	72	5.5
Gulfton/Westbury	32,646	\$1,108	0	(162)	4.8
Hobby Airport	19,379	\$1,004	0	(125)	9.1
Humble/Kingwood	14,459	\$1,328	0	(17)	6.1
Huntsville, TX	767	\$1,062	0	3	7.4
Katy	19,213	\$1,520	0	(77)	5.9
Memorial	13,738	\$1,726	334	249	5.4
North Central Houston	27,180	\$994	12	142	7.0
Northeast Houston	16,236	\$1,218	0	(21)	6.1
Northwest Houston	30,194	\$1,075	36	36	7.1
Pasadena/Southeast Houston	27,369	\$1,068	0	47	6.1
Rosenberg/Richmond	12,028	\$1,448	0	(33)	5.6
Sharpstown/Fondren Southwest	35,306	\$968	0	6	5.2
Spring Branch	21,440	\$1,268	0	(65)	6.3
Spring/Tomball	16,564	\$1,409	0	18	5.7
Sugar Land/Stafford	13,492	\$1,498	0	20	4.5
The Woodlands	13,642	\$1,520	0	65	5.6
West University/Medical Center/Third Ward	14,997	\$1,973	280	175	5.5
Westchase	31,401	\$1,180	0	41	6.8

FIGURE 3: Market Statistics by Building Vintage

Year Built	Avg Rent	% Rent Growth (Y-o-Y)	Occupancy Rate (%)	Occupancy Change (Y-o-Y)
Built 1960s	\$1,107	0.8%	92.8	1.5%
Built 1970s	\$1,098	-1.8%	92.5	1.2%
Built 1980s	\$1,094	-0.5%	93.9	1.8%
Built 1990s	\$1,322	-0.6%	93.8	1.3%
Built 2000s	\$1,476	-0.5%	94.1	1.5%
Built 2010-present	\$1,581	-0.6%	94.1	1.0%

Source: CBRE Econometric Advisors, Q1 2025.

FIGURE 4: Market Statistics by Unit Type

Unit Type	Avg Rent	% Rent Growth (Y-o-Y)
Studio	\$1,005	-0.2%
1 Bedroom	\$1,175	-0.6%
2 Bedroom	\$1,547	0.2%
3 Bedroom	\$2,074	1.6%

Source: CBRE Econometric Advisors, Q1 2025.

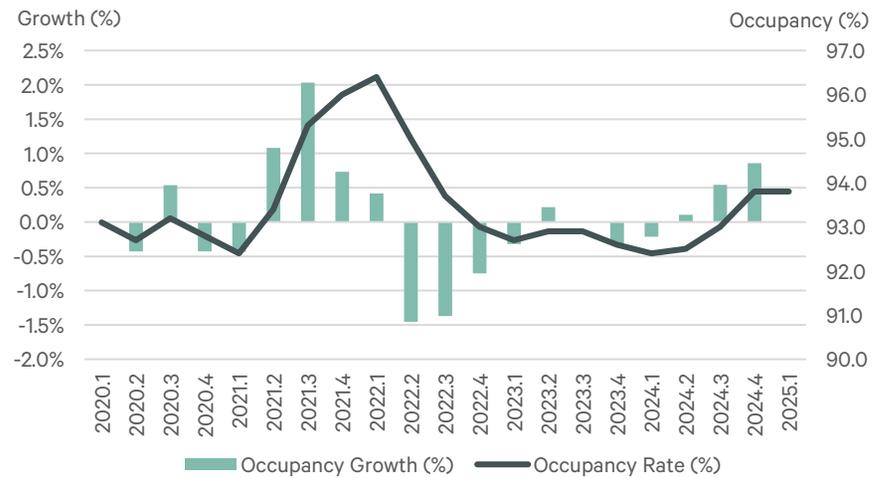
## Average Rents and Occupancy

FIGURE 5: Rent Change Q-o-Q and Average Rent Trend



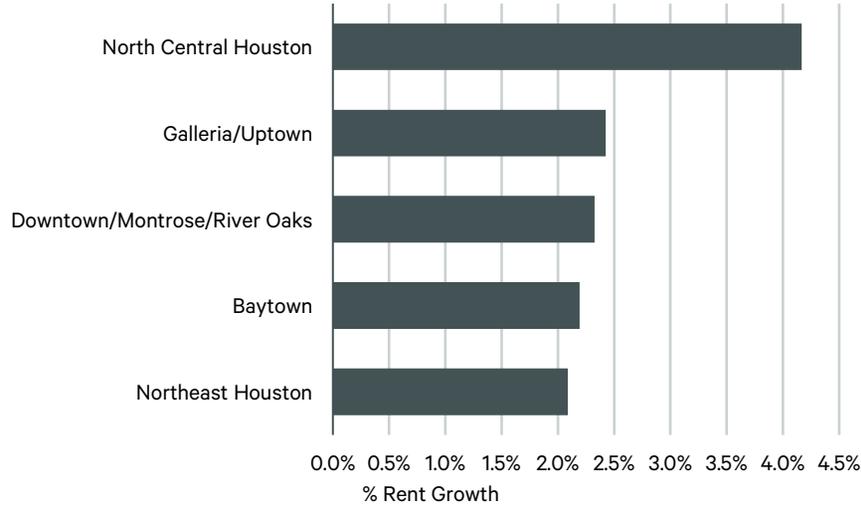
Source: CBRE Econometric Advisors, Q1 2025.

FIGURE 6: Occupancy Change Q-o-Q and Occupancy Rate Trend



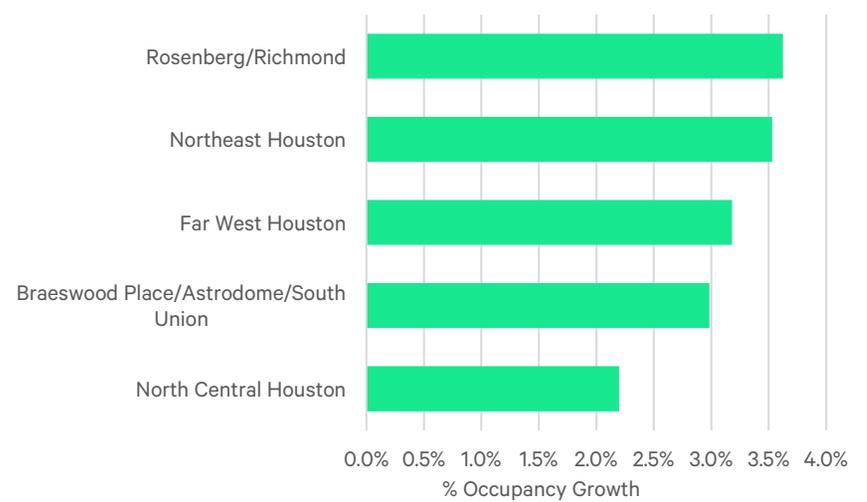
Source: CBRE Econometric Advisors, Q1 2025.

FIGURE 7: Top Submarkets by Rent Growth Y-o-Y



Source: CBRE Econometric Advisors, Q1 2025.

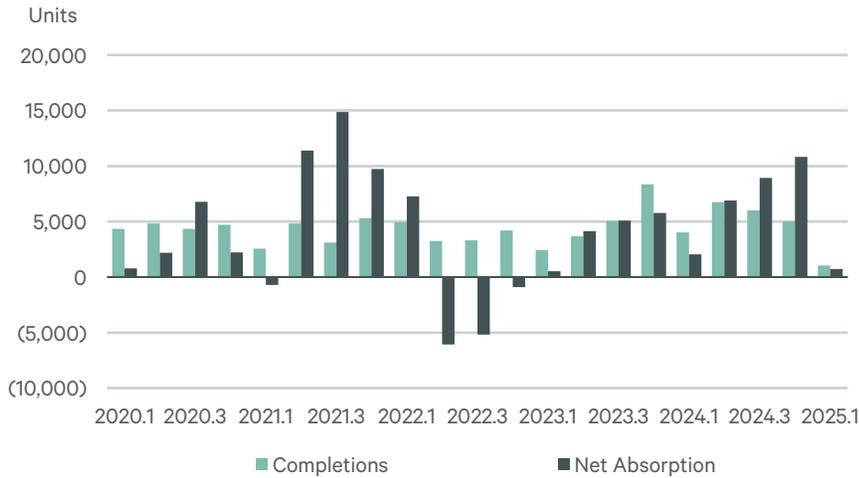
FIGURE 8: Top Submarkets by Occupancy Growth Y-o-Y



Source: CBRE Econometric Advisors, Q1 2025.

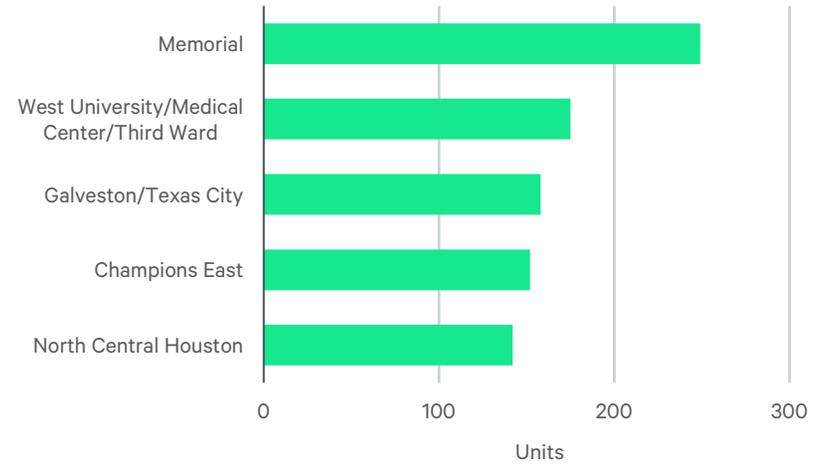
## Construction, Net Absorption, and Detail by Inventory Type

FIGURE 9: Completions and Net Absorption



Source: CBRE Econometric Advisors, Q1 2025.

FIGURE 10: Top Submarkets by Net Absorption



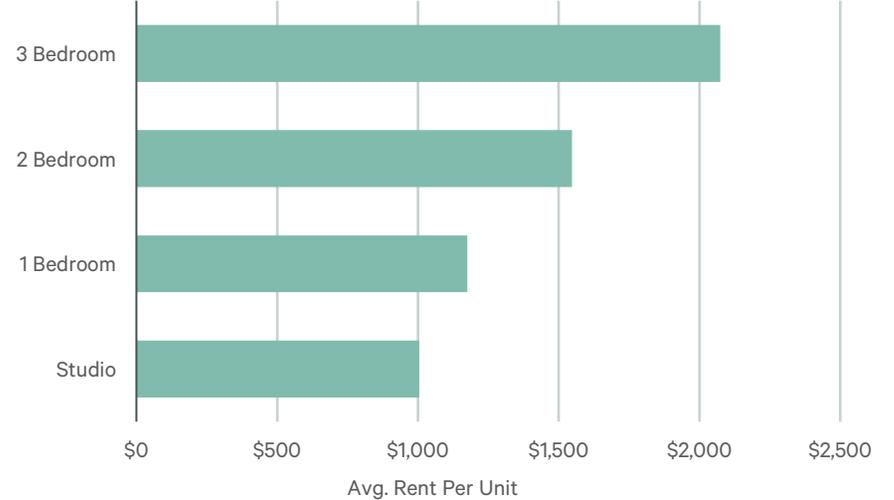
Source: CBRE Econometric Advisors, Q1 2025.

FIGURE 11: Rent and Vacancy by Property Vintage



Source: CBRE Econometric Advisors, Q1 2025.

FIGURE 12: Average Rent By Unit Size



Source: CBRE Econometric Advisors, Q1 2025.

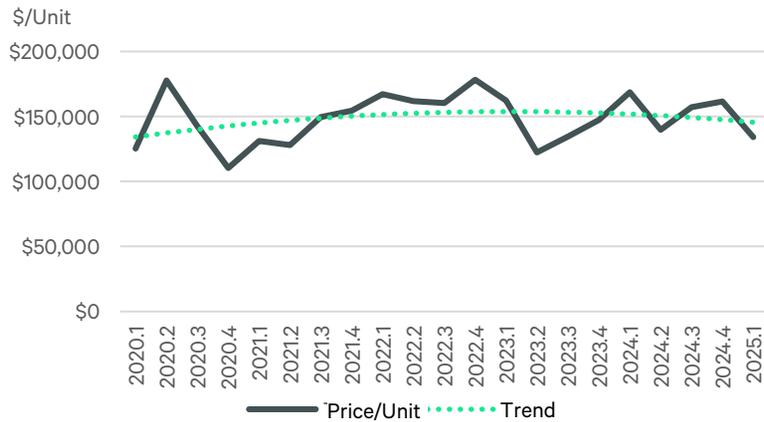
## Investment Sales

FIGURE 13: Multifamily Investment Sale Volume



Source: MSCI Real Capital Analytics, Q1 2025.

FIGURE 15: Multifamily Investment Sale Price Per Unit



Source: MSCI Real Capital Analytics, Q1 2025.

FIGURE 14: Q1 2025 Largest Sale Transactions by # of Units

Buyer	Property Name	City	Units
Pinemont Ventures LLC	Grove at Pinemont	Houston	412
Pleasanton Housing	Landmark of Magnolia	Montgomery	360
CWS Capital	Reserve at Kingwood	Kingwood	312
Sun Holdings	Amberjack Estates	Houston	302
ClearWorth Capital	Vantage At Tomball	Houston	288
1900 Vic LLC	Vista at Southwinds	Mont Belvieu	265
Fogelman Mgmt Group	The Fenwick	Atascocita	258
Sentinel Capital (TX)	Wildwood Forest Apts	Spring	254
Hilltop Residential	Villas at River Park West	Rosenberg	252
Lion Real Estate Group	Villages of Briar Forest	Houston	241
Statutory Enforcement R	Terraces at 2602	Texas City	240

Source: MSCI Real Capital Analytics, Q1 2025.

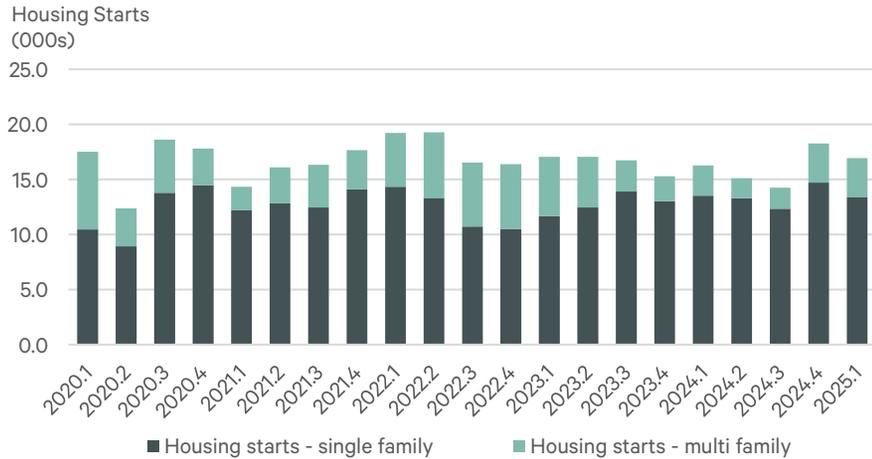
FIGURE 16: Q1 2025 Multifamily Investment Sales by Building Vintage

Year Built	Volume (\$)	Property Count	Total Units	Avg. PPU
1960s	\$24,100,000	1	164	\$146,951
1970s	\$49,436,893	2	652	\$75,823
1980s	\$0	0	0	\$0
1990s	\$149,657,064	4	1,061	\$141,053
2000s	\$119,502,306	3	812	\$147,170
2010 - present	\$140,843,957	3	913	\$154,265
<b>Grand Total</b>	<b>\$483,540,220</b>	<b>13</b>	<b>3,602</b>	<b>\$133,053</b>

Source: MSCI Real Capital Analytics, Q1 2025.

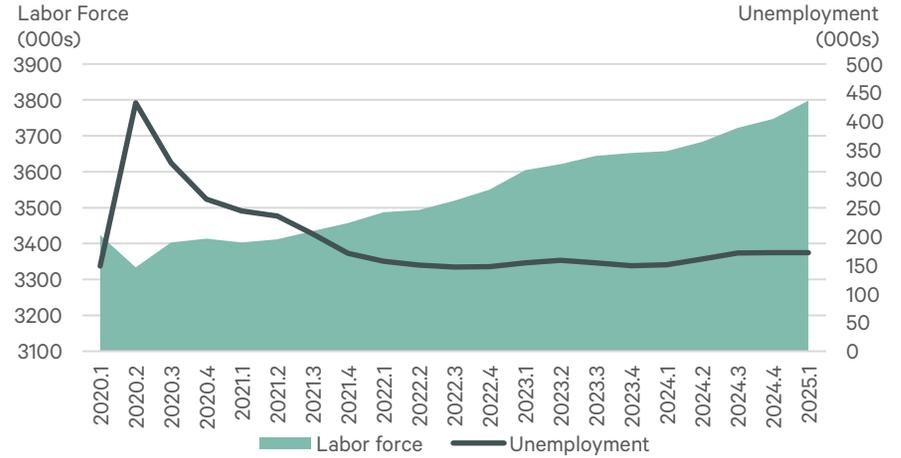
## Economic Overview

FIGURE 17: Housing Starts



Source: Oxford Economics, Q1 2025.

FIGURE 18: Unemployment



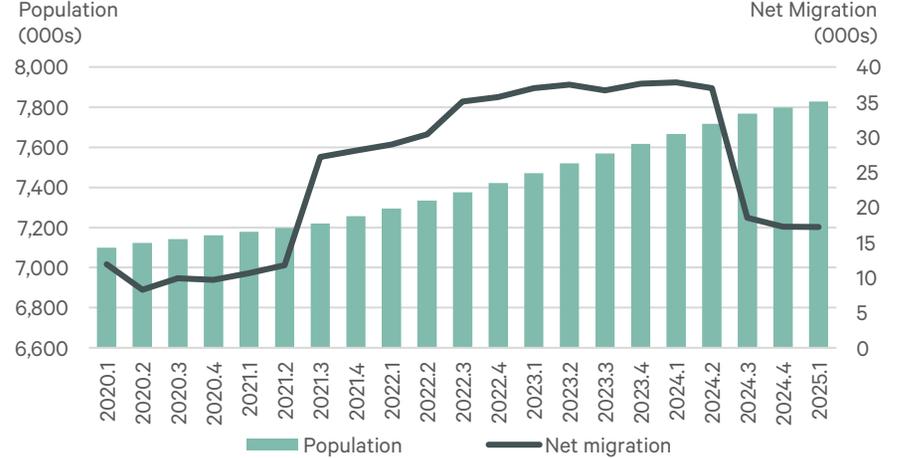
Source: Oxford Economics, Q1 2025.

FIGURE 19: Household Count & Average Size



Source: Oxford Economics, Q1 2025.

FIGURE 20: Total Population & Net Migration



Source: Oxford Economics, Q1 2025.

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## Multifamily Definitions

- Stock units Total count of market-rate, multifamily units in structures containing five or more units. Does not include condos.
- Occupied Stock units Total count of occupied multifamily units.
- Rentable Completions units Change in rentable stock from one period to the next due to the construction of new multifamily units. Only includes market-rate units in structures containing five or more units. Does not include condos. A structure is considered complete when 60% or more of the building has been occupied.
- Net Absorption units Change in occupied stock from one period to the next.— Vacancy Rate % Unoccupied units expressed as a percent of rentable stock.
- Rent \$/unit/month, \$/SF/month Average price for multifamily space. Estimated from a sample of institutionally managed, market-rate properties with five or more units. Does not include condos. Properties must appear in current and previous quarterly sample ("same-store") to count toward this average. Rent levels represent effective rates that account for the impact of concessions offered in the form of free-rent periods or prorated discounts. Other leasing incentives such as reduced deposits, amenity upgrades and merchandise giveaways are not accounted for in the effective rent calculations.

## Market Definition

The Houston market consists of Austin County, Brazoria County, Chambers County, Fort Bend County, Galveston County, Harris County, Liberty County, Montgomery County, Waller County.

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