

HOUSTON METRO OVERVIEW

HOUSTON 2026

The nation's fourth largest city is a vibrant, diverse global hub with a strong economy, exceptional quality of life, and well-developed industries.





WHY HOUSTON

#1

Best For Foreign Business

Houston is a snapshot of what the rest of the country will look like in 2050

#2

Fastest Growing City

Business-friendly policies, logistics, affordability & diverse communities

#3

Most Affordable Metro

#2 Among 20 Most Populous US Metros

WHY HOUSTON

Houston has the **THIRD LARGEST** number of **FORTUNE 500 COMPANIES** in the nation

If Houston were a country, it would rank as the **22nd LARGEST ECONOMY IN THE WORLD** - exceeding Argentina and Belgium's Gross Domestic Product

Houston leads the nation in exports with **\$180.9 BILLION IN GOODS AND COMMODITIES** sent abroad last year.

Houston Industries: Driving Innovation and Growth

Houston's economy is powered by key industries including aerospace, advanced manufacturing, energy, life sciences, and a rapidly growing digital tech sector.

A Global Gateway for Business & Trade

Houston's global location, diverse workforce, and world-class ports and airports make it a premier hub for international business and global trade connections.

Financial Incentives: Low Taxes Fuel Business Growth

Houston offers competitive tax rates and robust incentives - property-tax abatements, enterprise zones, targeted grants, and energy R&D credits boost business growth.

Diverse Talent Drives Economic Growth

Houston's workforce is diverse, skilled, and rapidly growing - providing talent across industries like energy, healthcare, aerospace, tech, and manufacturing.

Houston, Texas, stands as a beacon of diversity and economic vitality in the United States. As the largest city in Texas and the Fourth-largest in the country, Houston is a melting pot of cultures, with over 2.4 million residents representing various backgrounds, ethnicities, and languages. This vibrant demographic landscape lends the city a rich cultural tapestry, exemplified through its array of festivals, museums, and culinary offerings that reflect influences from around the globe.

Economically, Houston is a powerhouse. The city plays a pivotal role in the global energy sector, being home numerous oil and gas companies, including industry giants like ExxonMobil and ConocoPhillips. Beyond energy, Houston boasts a diverse economy driven by healthcare, aerospace, and manufacturing. The Texas Medical Center, the largest medical complex in the world, underscores the city's commitment to healthcare innovation and research. This economic diversity not only fosters job creation but also attracts a steady influx of individuals and families seeking opportunities.

Education is another cornerstone of Houston's identity. With institutions such as the University of Houston and Rice University, the city nurtures a dynamic learning environment that equips students with the skills necessary for various industries. The strong emphasis on education supports a highly skilled workforce, which is essential for the city's continued growth and competitiveness.

Houston's transportation infrastructure also enhances its appeal as a destination for business and living. The city features an extensive highway system and is served by two major airports, making it easily accessible. Its geographic location, situated equidistant from both U.S. coasts, further bolsters its role as a central hub for trade, particularly with Latin America.

Culturally, Houston is rich and multifaceted. The city's art scene thrives with numerous galleries, theaters, and concert halls, while its sports teams - such as the Houston Texans, Rockets, and Astros - bring the community together in shared enthusiasm. The culinary landscape is equally diverse, offering everything from Tex-Mex to international cuisines, reflecting the city's multicultural essence.

In conclusion, Houston is a dynamic city that exemplifies the spirit of growth and inclusivity. Its rich cultural heritage, robust economy, top-notch educational institutions, and comprehensive infrastructure create an inviting environment for residents and businesses alike. As the city continues to evolve, it remains a critical player on the national stage, poised for future development and innovation.

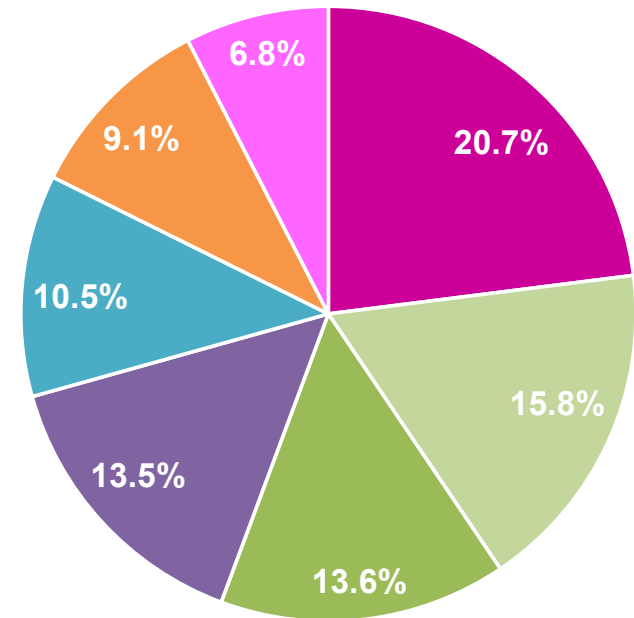
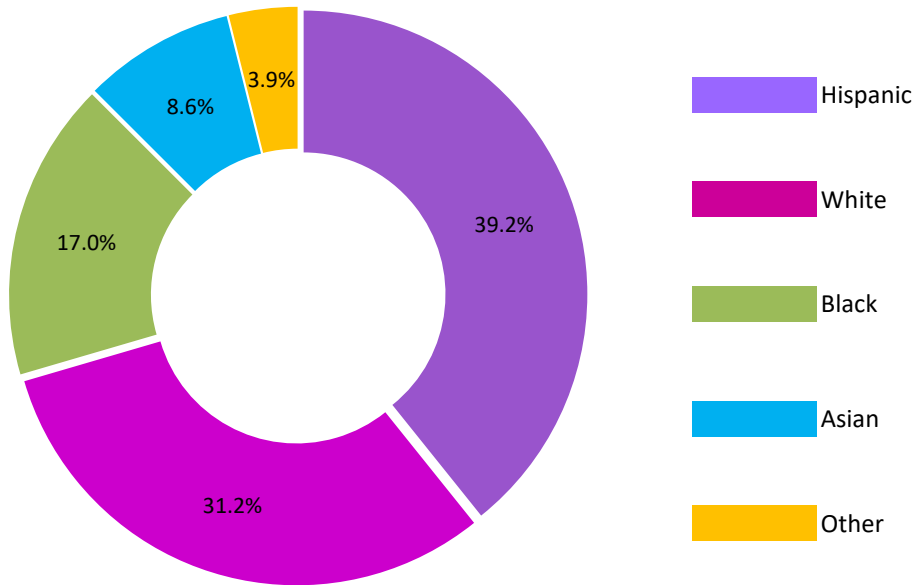
HOUSTON quick facts

HOUSTON
2.4M
residents

MSA
7.8M
residents

HOUSTON
\$104,264
Average Income

POPULATION



MSA Employment

- 20.7% Trade, Transportation, and Utilities
- 15.8% Professional and Business Services
- 13.6% Educational and Health Services
- 13.5% Government
- 10.5% Leisure and Hospitality
- 9.1% Mining, Logging and Construction
- 6.8% Manufacturing

HOUSTON quick facts

Top Occupations

By Employment



Office and Administrative Support



Transportation and Material Moving



Food Preparation and Service Related

At 641 square miles, the **City of Houston** is larger in area than the cities of Chicago, Dallas, Los Angeles, New York, Phoenix, and San Diego.

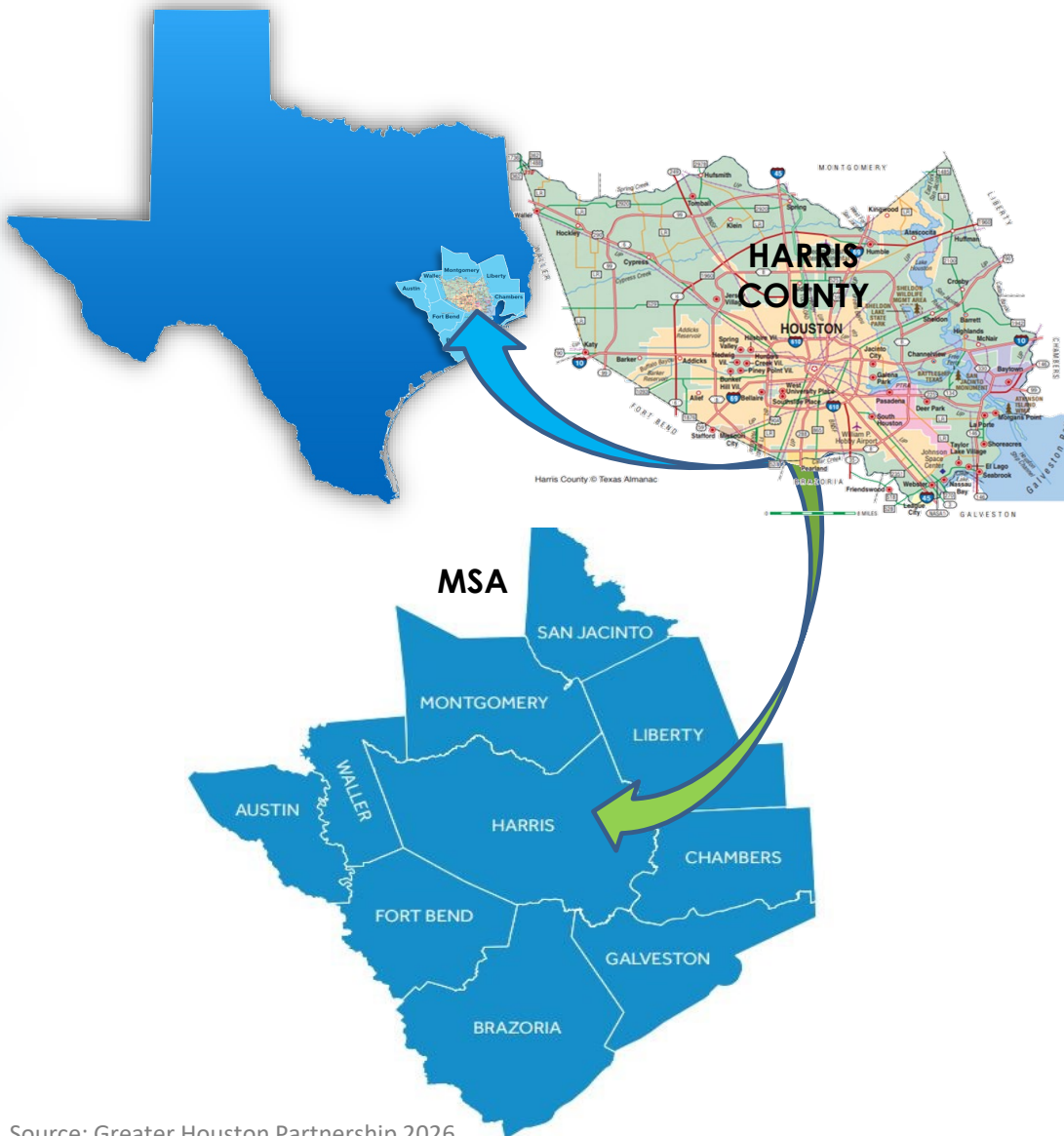
The U.S. Bureau of Economic Analysis estimates the Houston-The Woodlands-Sugar Land Gross Domestic Product at **\$697.0 billion**, making it the seventh largest U.S. metro economy.

Harris County covers 1,707 square miles, enough space to fit the cities of Austin, Boston, Chicago, Dallas, New York City, and Seattle with room still to spare.

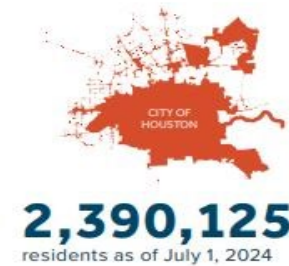
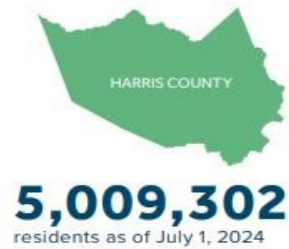
The 10-county Houston-Pasadena-The Woodlands Metropolitan Statistical Area (MSA) covers 8,838 square miles of land. If the MSA were a state, it would rank as the 46th largest, behind Vermont, New Hampshire, but ahead of New Jersey, Connecticut, Delaware, and Rhode Island.



The Houston - Pasadena - The Woodlands Ten County Metropolitan Statistical Area (MSA)



Population



LARGEST EMPLOYERS

CITY OF HOUSTON

Employer	Employees
Memorial Hermann Health System	35,360
Walmart	29,797
HEB	29,657
Houston Methodist	26,098
Univ. of Texas MD Anderson Cancer Center	21,576
HCA Houston Healthcare	15,000
Kroger	14,868
ExxonMobil	13,000
United Airlines	11,900
Schlumberger Limited	11,700

MEMORIAL
HERMANN

Walmart

H-E-B

THE UNIVERSITY OF TEXAS
MD Anderson
Cancer Center

HOUSTON
Methodist
LEADING MEDICINE

Kroger

HCA
Healthcare

UNITED

Schlumberger

Texas Children's
Hospital

UH

UNIVERSITY OF HOUSTON

ExxonMobil



Houston Performance

MULTIFAMILY MARKET 2026

#1
Houston led the nation in population growth, adding just under 127,000 new residents last year. Although growth slowed from the record-setting pace of '24, it remained robust, with more people moving to Houston than to any other metro area in the country.

#2
Houston's job market outperformed earlier estimates and exceeded national trends. Revised data from the Texas Workforce Commission show the metro added 2,700 more jobs in '25 than initially reported, with a growth rate more than 10 times higher than the national pace despite moderating job creation.

#3
Houston continues to rank as one of the nation's top metros for economic development activity. Site Selection Magazine tracked 590 qualifying projects in the region last year, placing Houston #2 nationally behind Chicago. On a per-capita basis, Houston ranked #1, with 74.6 projects per million residents.



Source: Greater Houston Partnership 2026

Performance split as urban pipeline contracts and suburban growth holds steady. Rent growth was evident across much of Houston in late 2025, with outer-ring hubs such as Conroe, Baytown, and Galveston continuing to post consistent gains. Urban core areas - where average monthly rents exceed \$2,000, and vacancy rates hover near 5% - also held firm. Going forward, rents should continue to improve even as household formation slows. Houston's construction pipeline is set to further contract, with completions in 2026 falling to the lowest level since 2013. The slowdown is most pronounced inside the I-610 Loop, where deliveries will equal just 10 percent of the 2025 total. In contrast, suburban development remains active. High-growth areas, such as Katy, Sugar Land-Stafford, and Northwest Houston along Highway 249, will face the most notable supply headwinds. While the wave of suburban deliveries and late-2025 vacancy upticks may weigh on property performance, overall availability is well below the metro's long-term mean points to healthy demand. Houston's market illustrates the scale of supply pressure, with more than 67,000 units delivered since 2023 and roughly 18,000 still vacant. Vacancy rates are especially high at newer properties, pushing owners to deploy deep concessions as rent growth turned negative in Q2 2025.

Private investors gaining ground in Houston. Among Texas' major metros, Houston offers the highest average cap rate, which is proving attractive for investors. As of late 2025, transaction activity for properties under \$10 million surged 60 percent year over year, compared with a 33 percent increase for deals above this threshold, where cap rates are generally more compressed. Building on last year's strong momentum, private buyers are expected to stay active in 2026, particularly if borrowing costs decline and pricing becomes more attractive. Investor focus has shifted toward areas with limited new supply, such as River Oaks. Southeast Houston submarkets like Clear Lake, Pearland, Pasadena, and Galveston - where vacancy rates have stayed below the metro average - are also drawing interest, supported by steady demand from a growing working-class population locally amid the nationwide trend of softening white-collar job creation.

Source: Marcus & Millichap 2026 Multifamily Investment Forecast

KEY INDUSTRIES IN HOUSTON



ECONOMIC DRIVERS

Houston, Texas, stands as a global leader in both aerospace and energy sectors, earning its nickname "Space City" through the pivotal NASA Johnson Space Center and a thriving aerospace industry known for innovations in spacecraft and satellite technology. Simultaneously, it fortifies its reputation as the world's energy capital, with a strong foundation in oil and gas, yet progressively pivoting towards renewable energy sources. This dynamic blend of industries underscores Houston's significant contributions to advancing space exploration, energy sustainability, and technological innovation on a global scale.

The city shines as a multifaceted metropolis, excelling in healthcare, biotechnology, financial services, tourism, and hospitality. Its Texas Medical Center leads in global medical advancements, while a thriving financial sector supports diverse economic activities.

The city's appeal as a tourist destination is boasted by its rich cultural scene, renowned museums, and the Space Center Houston, complemented by a world-class culinary landscape and diverse accommodations.

Houston Economic Drivers

POPULATION

Houston-Pasadena-The Woodlands MSA

COUNTY	POPULATION		NET MIGRATION		NATURAL INCREASE		TOTAL POPULATION CHANGE
	APRIL 2020	JULY 2024	NATIONAL MIGRATION	DOMESTIC MIGRATION	BIRTHS	DEATHS	
Austin	30,167	32,546	181	2,212	1,517	-1,546	2,379
Brazoria	372,040	413,224	6,198	27,261	20,020	-12,747	41,184
Chambers	46,543	56,179	591	7,954	2,648	-1,583	9,636
Fort Bend	822,989	958,434	41,480	74,765	39,680	-19,617	135,445
Galveston	350,686	367,407	3,585	11,027	16,549	-14,386	16,721
Harris	4,731,433	5,009,302	260,290	-118,626	274,840	-138,772	277,869
Liberty	91,658	115,042	725	20,888	6,106	-4,274	23,384
Montgomery	620,567	749,613	16,198	98,887	34,840	-20,917	129,046
San Jacinto	27,400	29,326	42	2,178	1,389	-1,710	1,926
Waller	56,750	65,109	620	6,570	3,164	-2,013	8,359
HOUSTON MSA	7,150,233	7,796,182	329,910	133,116	400,753	-217,565	645,949

Sustained population growth. Over 460,000 people moved to the metro area between April '20 and July '24. They've been drawn to the region by job opportunities, affordable housing, an appealing quality of life, and a cost of living that is 6.0 percent below the U.S. average and nearly 30 percent below the average of the nation's 20 most populous metros. Metro Houston's population is expected to surpass 8.0 million and payroll employment to approach 4.0 mill by the end of the decade.

NEARLY
**ONE IN
FOUR**



**HOUSTONIANS
BORN OUTSIDE
THE U.S. (24.8%)**

Among the 1,862,626 foreign-born in the Houston metro area, 59.5% entered the U.S. before 2010.

Houston led the nation in population growth, adding just under 127,000 new residents in 2025. Although growth slowed from the record-setting pace of '24, it remained robust, with **more people moving to Houston than to any other metro area in the country.**

Key Industries

HEALTH CARE



The Medical Center (TMC), the largest medical complex in the world, encompasses 55 institutions ranging from renowned hospitals, support organizations, academic and research institutions, and public health organizations. Comprising 1,345 acres, TMC is the eight-largest business district in the United States and is home to the world's largest cancer hospital and children's hospital. TMC's campus currently contains 50 million square feet of developed space, with an additional \$3 billion worth of construction projects underway.

Bio-Tech and Life Science

The Houston region is a growing hub for biotechnology and life sciences, with activity spanning medical research, device manufacturing, and health innovation. The region is home to more than 28,000 professionals working across areas such as cancer treatment, genomics, biomedical engineering, and health technology development. Campuses across the Houston region contribute to this growth. The Texas Medical Center includes institutions engaged in both clinical care and research.

Source: Greater Houston Partnership 2026

- 106,000+ jobs supported at TMC
- \$25 billion TMC annual GDP generated
- Largest Medical Complex in the World
- \$3 billion worth of construction projects underway
- 8th largest business district in the U.S.
- 50 million developed square feet
- 120,000+ total employees
- 10 million patient encounters per year
- 9,200 total patient beds
- 13,600 total heart surgeries
- 180,000 annual surgeries



Key Industries

MANUFACTURING

PETROCHEMICAL & REFINING

The Houston region was home to 694 chemical plants employing 42,865, or 18.0 percent of Greater Houston's total manufacturing workforce, in '25, according to the Texas Workforce Commission. The region accounts for 41 percent of the nation's overall base petrochemicals manufacturing capacity.

The Houston MSA also dominates U.S. production of three major resins, producing 39.8 percent of the country's polypropylene, 39.6 percent of polyethylene and 30.5 percent of polyvinyl chloride.

In '25, the Houston metro had a crude operating capacity of 2.8 million barrels of refined petroleum products per calendar day, representing 15.3 percent of overall U.S. capacity, according to the U.S. Energy Information Administration. Oil refiners in the region employed 8,138 workers in '25, equivalent to 3.4 percent of the Houston region's total manufacturing workforce.

NEW ENERGY

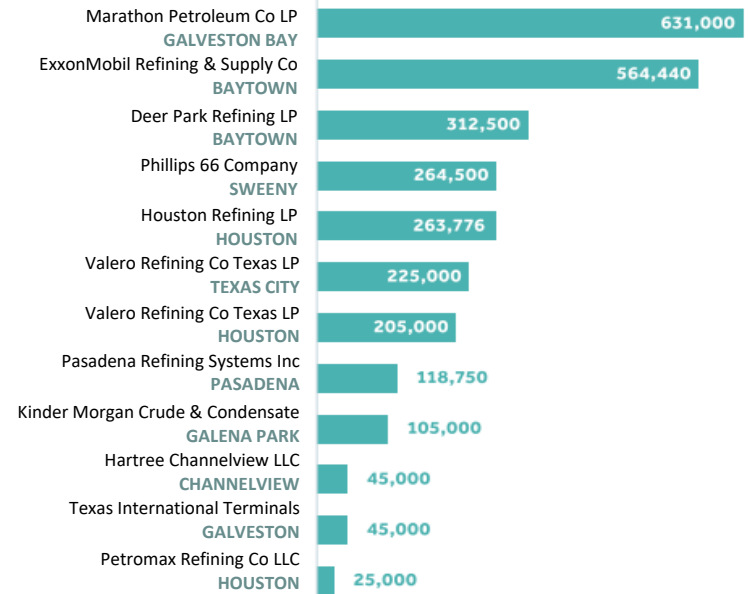
Houston is well positioned to lead the transition to low-carbon and no-carbon energy. Houston has a large, diverse, and technically oriented workforce. It has the most highly developed of energy infrastructure in the nation. A large and expanding renewable generation capacity is already in place. The local culture supports innovation and growth. And the region's extensive port, rail and aviation infrastructure offer a platform for large-scale decarbonization initiatives. The strategy sets out three initial objectives for the region: jumpstarting emerging technologies and markets where Houston has a strategic advantage, attracting and supporting companies in established yet rapidly growing "New Energy" industries, and creating an environment that encourages investment in and deployment of a wide range of value chains. The later includes everything from nature-based solutions, to cleaner production of natural gas, oil, and petrochemicals, to breakthroughs in energy efficiency, geothermal energy, and advanced materials.

Source: Greater Houston Partnership 2026

Houston is the leading domestic and international center for virtually every segment of the energy industry — exploration and production, transmission, marketing, service, trading, supply, offshore drilling and technology.

More than **4,600** energy-related firms are located within the Houston metro area, including over **410** exploration and production firms, **740** oilfield service companies, nearly **90** pipeline transportation firms, and hundreds of manufacturers and wholesalers of energy-sector products.

PETROLEUM REFINING CAPACITY



Source: U.S. Energy Information Administration, Refinery Capacity Report Jan 1 ,2025



Key Industries

AEROSPACE & AVIATION



NASA JOHNSON SPACE CENTER

Years before the historic Apollo 11 mission in 1969, Houston was a pioneering hub in the aerospace and aviation sector. But the mission didn't stop at the moon. Over the decades, Houston scientists and engineers have helped with some of the world's biggest space endeavors, including running mission control for the International Space Station for nearly 20 years. Some of the sharpest minds in aerospace and aviation technology continue to chart a vibrant future for Houston centered around NASA's Johnson Space Center and one of the world's only truly urban commercial spaceports. Every manned U.S. space mission since 1961 has been planned and executed from JSC. Every astronaut has lived and trained in the Houston area, every manned mission controlled here. The missions of tomorrow—to the moon, to Mars and beyond—are being planned today by scientists and engineers who call Houston home.

Houston established itself as a global hub for aerospace in 1961 with the arrival of NASA's human space program. Since then, the Johnson Space Center (JSC) has anchored a thriving aerospace industry, attracting the world's leading aerospace companies.

NASA'S EXPLORATION PARK

NASA's Exploration Park is 240 acres of undeveloped land adjacent to JSC that will house Texas A&M University's Space Institute and the American Center of Manufacturing and Innovation's new Space Systems Campus.

HOUSTON SPACEPORT

Houston Spaceport, situated 18 miles southeast of downtown at Ellington Airport, became a Federal Aviation Administration (FAA) designated spaceport in '15. One of only 10 spaceports in the U.S., the development plays a major role in Houston's aerospace landscape.

AXION SPACE

The campus will train astronauts, conduct mission operations and serve as a research facility, featuring Axiom Station's first commercial module that will attach to the International Space Station.

INTUITIVE MACHINES

Houston-based Intuitive Machines opened its 12.5 acre campus in September '23. Intuitive Machines manufactures lunar lander and spacecraft, track and manager lunar missions.

COLLINS AEROSPACE

Develop systems for NASA's human spaceflight program at its eight-acre campus. Collins and Axiom Space were selected to create the next generation of NASA spacesuits.

- 500+ Space, Aviation, and Aerospace Related Firms and Institutions
- \$2.9 Billion Total Trade in Aviation
- 2 International Airports
- 1 FAA-Licensed Commercial Spaceport
- 11,000+ JSC Employees
- \$5.5+ Annual Budget

Key Industries

PROFESSIONAL AND TECHNICAL SERVICES

ENGINEER OCCUPATIONS	HOUSTON	U.S.	PER 100,000 WORKERS	
			HOUSTON	U.S.
Civil Engineers	11,270	355,410	347.2	230.5
Industrial Engineers	8,210	350,230	252.9	227.1
Mechanical Engineers	7,010	286,760	215.9	186.0
Petroleum Engineers	5,080	18,970	156.5	12.3
Electrical Engineers	4,910	188,790	151.2	122.4
Engineers, All Other	3,440	150,750	106.0	97.8
Aerospace Engineers	2,600	68,440	80.1	44.4
Chemical Engineers	1,800	20,330	55.4	13.2
Health and Safety Engineers, Except Mining	1,440	23,220	44.4	15.1
Electronics Engineers, Except Computer	1,120	93,940	34.5	60.9
Computer Hardware Engineers	950	75,710	29.3	49.1
Environmental Engineers	640	37,950	19.7	24.6
Marine Engineers and Naval Architects	470	8,440	14.5	5.5
Bioengineers and Biomedical Engineers	450	21,860	13.9	14.2
Materials Engineers	440	22,770	13.6	14.8
TOTAL ENGINEERS	49,830	1,723,570	1,535.1	1,117.9

Houston has 45,600 engineers across all disciplines, the most numerous being:

- ✓ civil
- ✓ mechanical
- ✓ petroleum
- ✓ industrial
- ✓ electrical
- ✓ chemical

■ Houston has one of the highest concentrations of engineering talent in the nation.

■ For every 100,000 workers in the Houston MSA, there are 1,435 engineers

■ By comparison, for every 100,000 workers in the U.S., there are 1,178 engineers.

Source: Greater Houston Partnership 2026

Key Industries

ENERGY AND RELATED INDUSTRIES



Houston is a global center for energy, serving as a hub for exploration and production, transmission, marketing, service, trading, supply, and offshore drilling and technology. The region is home to thousands of energy-related firms operating across the full value chain.

In addition to its established strength in oil and natural gas, Houston plays a growing role in the energy transition, with increasing activity in carbon capture, utilization and storage (CCUS), battery storage, wind, solar, methane management and other low-carbon technologies.

INFRASTRUCTURE & LEADERSHIP

- 21 Fortune 500 energy HQs
- 12 Houston-area refineries with a capacity of 2.8 million barrels per day
- Houston area companies own 56% of U.S. pipelines
- Houston area companies own 48% of U.S. pipelines
- Five petroleum product pipelines were completed in '24, with four running through the Houston area and one connecting to an existing pipeline in the region

Key Industries

WHOLESALE & RETAIL TRADE



WHOLESALE TRADE

166,334

Employees

\$109,096

Average Wage

104,069

Durable Goods Merchants

52,411

Nondurable Goods Merchants

RETAIL TRADE



10,919

Wholesale trade establishments

- **6,555** Durable Goods
- **2,573** Nondurable Goods

19,466

Retail establishments

- **3,077** Food and Beverage
- **2,753** Gas Stations
- **2,245** Motor Vehicle and Parts Dealers
- **1,592** Clothing and Accessory Stores
- **1,389** General Merchandise

Key Industries

CONSTRUCTION AND REAL ESTATE



238,595

Employed in construction

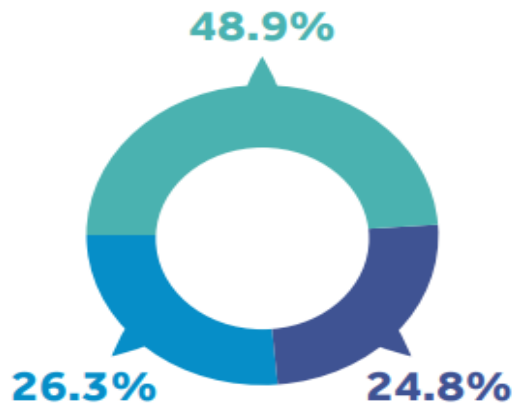
Source: Texas Workforce Commission



\$97,656

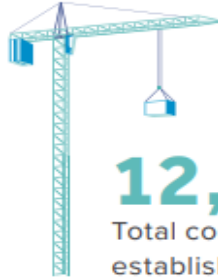
Average annual wage

EMPLOYMENT BY SECTOR, Q4/24



- Specialty trade contractors (e.g., electrical work, plumbing, site preparation, painting)
- Building construction
- Heavy and civil engineering

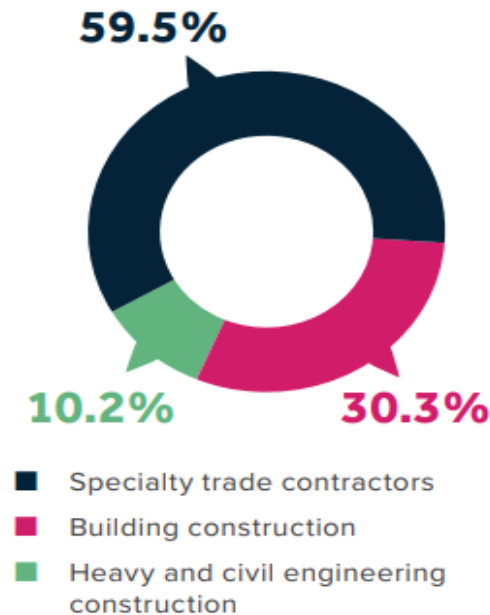
Source: Greater Houston Partnership 2026



12,414

Total construction establishments

ESTABLISHMENTS BY TYPE



- Specialty trade contractors
- Building construction
- Heavy and civil engineering construction

CITY OF HOUSTON BUILDING PERMITS



\$9.0B

In '24, up 16.6% from \$7.8 billion in '23



+\$3.2B

for residential building permits

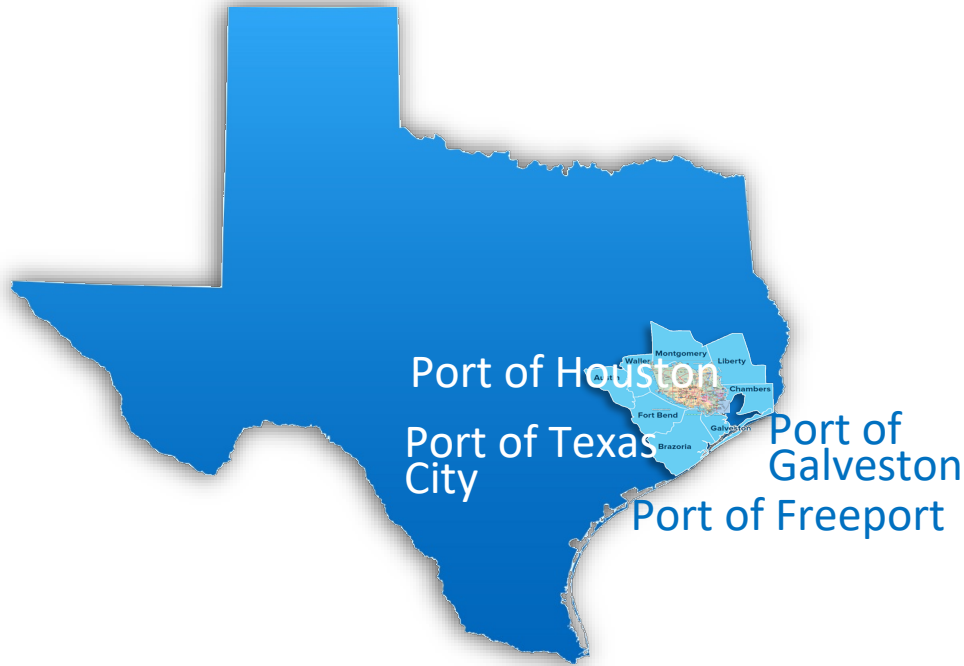


+\$2.4B

for commercial building permits

Key Industries

TRANSPORTATION - SEA PORTS - PORT OF HOUSTON



Sea Ports

4

seaports

handled

273.1M

metric tons of foreign trade in '24

PORT HOUSTON

5th

busiest container port in U.S., behind New York/New Jersey, Los Angeles, Long Beach, and Savannah, Georgia

handles

74%

of all container traffic on the U.S. Gulf Coast

SEAPORTS RANKED BY FOREIGN TRADE

Million Metric Tons by Vesel

1 ST	Port Houston	220.1
14 TH	Port Freeport	32.9
26 TH	Port of Texas City	13.7
41 ST	Port of Galveston	6.4

Port of Freeport | Port of Galveston | Port of Houston | Port of Texas City

In '24, Port Houston hit a new record for container traffic, handling **4.1 million** total twenty-foot-equivalent **container units** including **3.4 million loaded units**.

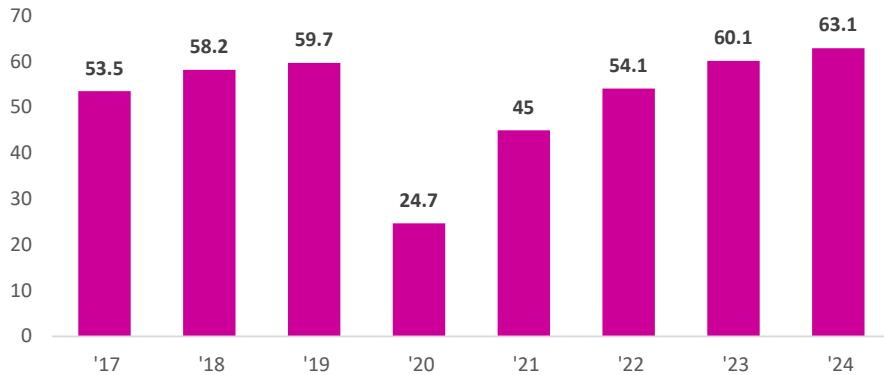
The exports reflect its industrial base. Plastics, resins, chemicals, machinery, electronics, appliances, retail consumer goods, construction hardware and materials, and home furnishings.

The Port of Houston **traded with 216 countries** in '24. Of those, trade with 42 countries **exceeded one billion dollars** each while trade with 48 additional countries exceeded \$100 million. The port's top trading partner by value was China and by weight is Mexico.

Key Industries

TRANSPORTATION - AIRPORT SYSTEM - HIGHWAYS - MOTOR FREIGHT - RAILROADS

HOUSTON AIRPORT SYSTEM PASSENGER TRAFFIC, \$ MILLIONS



Airports

63.1 million

passengers served at **George Bush Intercontinental (IAH) & William P. Hobby (HOU) Airports** in '24

48.4 million

total passengers at IAH, up to 4.9 percent from '24

14.5 million

total passengers at HOU, up 5.1 percent from '24

13.1 million

total international passengers at Bush and Hobby airports

Air Transportation

Houston is an international air gateway to the southern United States and Latin America. In '15, Hobby Airport added direct flights to Mexico, making Houston the only city in Texas with two international airports. The Houston Airport System has received high honors at the Skytrax 2025 World Airport Awards ceremony. Both William P. Hobby and George Bush Intercontinental ranked among the World's Top 100 airports, claiming No. 27 and No. 33, respectively. They were the first- and third-highest ranking U.S. airports in that category.

537,358

metric tons of air freight handled at the Houston Airport System in '24.

Domestic cargo accounted for 61.7 percent of total air freight, while international cargo accounted for 38.2 percent.

Land Transportation

MOTOR FREIGHT LINES

1,625

long-distance trucking establishments operating in the 10-county Houston MSA in '25

RAILROADS

The Houston area is served by BNSF Railway, Kansas City Southern Railway, and Union Pacific Railroad Companies. Businesses along the Houston Ship Channel are served by the Galveston Railroad, Port Terminal Railroad Association, and Texas City Terminal Railway Company.

Amtrak provides passenger service three times per week in Houston via the Sunset Limited route that travels from New Orleans to San Antonio and Los Angeles.

INTRACOASTAL WATERWAY

The Texas portion of the Gulf Intracoastal Waterway stretches 379 miles. The main Channel is 12 feet deep and 125 feet wide. The entire Gulf Intracoastal Waterway spans approximately 1,100 miles from Brownsville, Texas, to St. Mark's Florida and facilitates the transportation of 80 million tons of freight annually.

FREEWAYS, HIGHWAYS, AND TOLL ROADS

There are 3,448 centerline miles and 11,861 lane miles of freeways and expressways in operation according to the Texas Dept of Transportation (TxDOT).

Houston's major thoroughfares include: Beltway 8, Fort Bend Tollway, Grand Parkway 99, Hardy Tollway, I-10, I-45, I-610, SH 6, SH 146, SH 225, SH 288, US 59/I-69, US 90, US 290, and the Westpark Tollway.

DAILY VEHICLE MILES TRAVELED (VMT)

106M

Houston District in '25

19.2 miles

average VMT per vehicle

In March '23, the Federal Highway Administration entered into a Voluntary Resolution Agreement with TxDOT, formally removing a hold on the North Houston Highway Improvement Project (NHHIP). The NHHIP is TxDOT's \$9 billion investment to improve I-45 from Beltway 8 to I-10 and reroute I-45 through the downtown Houston area along I-10 and US 59/I-69.

METROPOLITAN TRANSIT AUTHORITY (METRO)



1,960
active transit vehicles



87
light-rail train cars

Economic Drivers

EDUCATION, RECREATION & PROFESSIONAL SPORTS



The Houston region has more than 40 two-year community colleges and four-year universities, including three Tier 1 universities:

- I. Rice University
- II. University of Houston
- III. Texas A&M University in College Station.

Houston has seven 4-year universities:

- 1) Rice University
- 2) University of Houston
- 3) Texas Southern University
- 4) Art Institute of Houston
- 5) Houston Christian University
- 6) University of Houston Downtown
- 7) University of St. Thomas

Houston-area colleges and universities educate nearly 430,000 students and graduate more than 100,000 students annually.

The region also has 50 trade, vocational and business schools specializing in law, healthcare, welding, process technology and various other disciplines that enroll an additional 20,000 students, according to the National Center for Education Statistics

- Houston's downtown is home to a number of clubs, musical entertainment venues, and three of Houston's four professional sports franchises: Major League Baseball's Houston Astros, who play at Minute Maid Park, Major League Soccer's Houston Dynamo, who play at BBVA Compass Stadium, and National Basketball Association's Houston Rockets, who play 41 regular-season home games per year at the Toyota Center.
- South Houston is home to NRG Park, a 350 acre entertainment complex comprising the Houston Texans' 67,925 seat NRG Stadium; the Astrodome; NRG Arena; and the NRG Center. NRG Park serves as the primary entertainment center for a number of Houston's large events, including the Houston Livestock and Rodeo Show and two Super Bowls.
- Situated between Downtown Houston and NRG Park, adjacent to the Texas Medical Center, Houston's Museum District is one of the most walkable areas in Houston. The 19 museums, galleries, cultural centers, and community organizations in the district help showcase art, history, and culture from around the world.
- One of the 10 largest malls in the country, The Galleria is a mixed-use shopping center featuring 2.4 million square feet of retail space and over 375 retail establishments and is ranked as one of the world's best shopping malls by Forbes.
- Houston is home to the Alley Theatre, Hobby Center for the Performing Arts, the Houston Ballet, the Wortham Theater Center, Jesse H. Hones Hall for the Performing Arts and the Bayou Music Center.
- Houston contains 44,480 acres of parkland and 699 parks, according to The Trust for Public Land's '22 City Parks report. There are 18.5 acres of total parkland per 1,000 residents, well above the Median of 15.1 acres per 1,000 residents for cities of similar density.

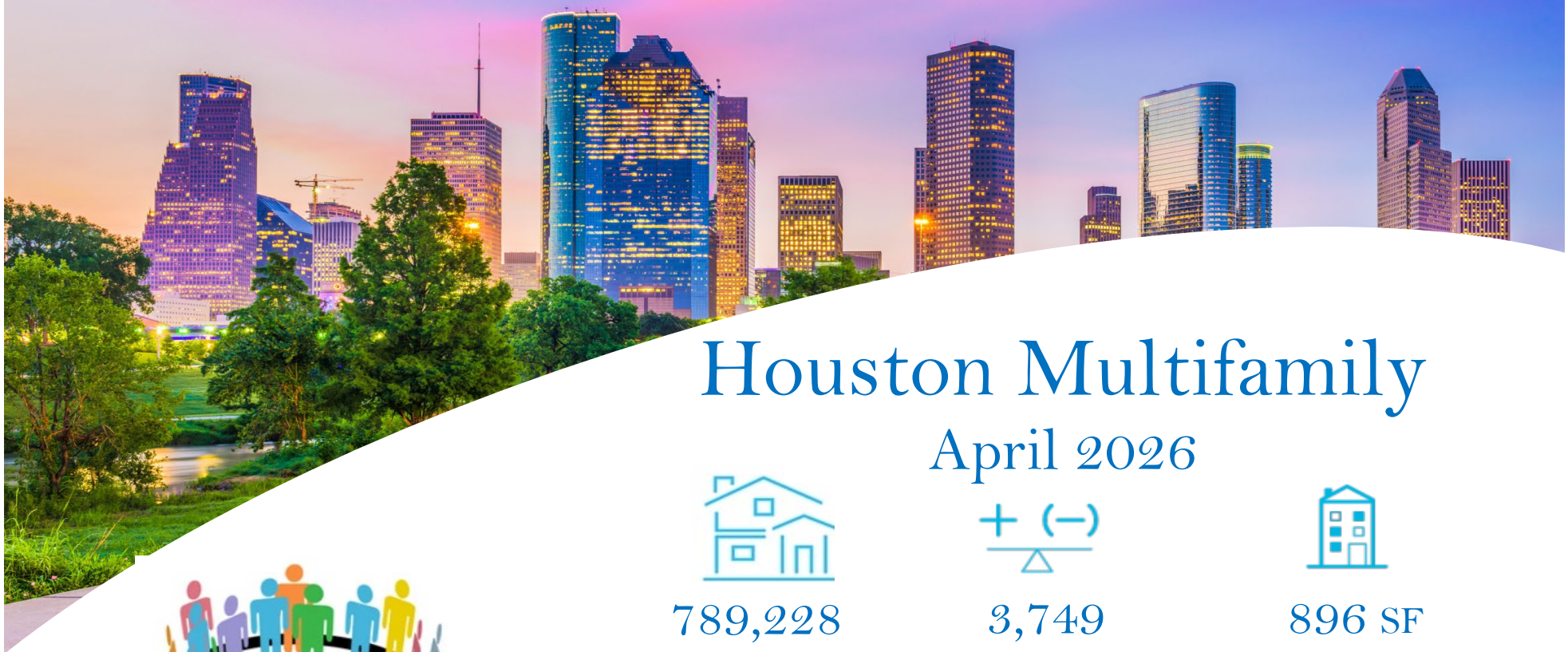


HOUSTON

MULTIFAMILY MARKET 2026

Houston Multifamily Outlook 2026

[Snapshot of Houston Multifamily Market April 2026]



Houston Multifamily

April 2026



789,228

Units



3,749

Net Absorption



896 SF

Average Size/Unit



90.4%

Occupancy



9,329 Units

Under Construction



\$1,258

Effective Rent/Unit

Houston Multifamily Outlook 2026

Barriers to home ownership will continue to support multifamily demand:

Challenges for would-be homeowners in 2026 include a 105% monthly premium to buy vs. rent, an estimated shortage of 3.4 million single-family homes, high mortgage interest rates and elevated home prices. With more than half of the outstanding mortgages financed at interest rates of less than 4%, fewer existing homeowners will be willing to sell, which in turn will drive multifamily lease renewals.

Demand for new apartments:

Demand for new apartments is apparent across Texas and Houston especially. Last year's net absorption total matched or exceeded deliveries in the state's four major markets. The state's lower cost of living continues to foster population growth, enabling rental demand to slightly outpace supply additions in 2026.

Operators will prioritize occupancy over rent growth, supported by strong renewals:

Effective asking rent growth is expected to remain low for much of 2026. Multifamily operators are strategically choosing to maintain occupancy rates rather than aggressively pursuing rent increases on newly signed leases. The near-term focus on offering significant concessions to new tenants is supported by historically strong renewal rates (57% of all leasing activity, up from 51% in 2015 and 48% in 2005) among existing residents, which is expected to increase further this year.

Private Investors gaining ground in Houston:

Among Texas' major metros, **Houston offers the highest average cap rate**, which is proving attractive for investors. As of late 2025, transaction activity for properties under \$10 million surges 60 percent year over year, compared with a 33 percent increase for deals above this threshold, where cap rates are generally more compressed.

The Houston Metro Area Led the Nation in Population Growth in 2025

While the broader U.S. economy faces mounting challenges and energy markets show signs of softening, Houston has several strengths that help keep the regional economy resilient. It currently has the fastest-growing economy of any major U.S. metro: from '21 to '23, Houston's GDP surged 25.1 percent, the strongest gain among the 20 most populous metros. That growth rate was nearly double the pace seen in leading coastal economies such as New York, Los Angeles, and San Francisco.

the Houston metro area led the nation in population growth in 2025, with just under 127,000 new residents added in the 12 month period ending on July 1, 2025. That increase equates to a new resident added every 4.1 minutes or 347 new residents each day. **Among the top 10 metros with the largest population gains, only Dallas came close**, with roughly 124,000 new residents

No other metro added even half as many. The disparity highlights Texas' strong appeal to workers and families, supported by relatively strong job markets, lower costs of living, and the absence of a state income tax.

Houston's dynamism stems from several key strengths, beginning with its diverse industrial base. While the "Energy Capital of the World" title is well earned, the region is far more than an oil and gas hub. Over recent decades, Houston has broadened its economy, with major job gains in health care, advanced manufacturing, and professional and technical services, among other sectors.

