HOUSTON Multifamily Market Performance

Source: Apartment Data.com from MRI Software - August 31, 2026

	August '26	10 Yr Avg
Occupancy	91.2%	89.6%
T12 Rent Trends	-2.1% ↘	2.54% ↗
T12 Absorption	15.87K	17.29K
T12 Completions	22.50K	17.41K

August 2026 MARKET SNAPSHOT

Rental Growth Rate	-2.1% ↘
# of Operating Units	802,950
Size (sf)	898
Price ($/mo)	$1,249
Rental Rate ($/sf/mo)	$1.39
Occupancy (%)	91.2%
Units Opened (Past 12 months)	18,922
Units Under Construction	13,930
Proposed Units	33,711
Units Absorbed (Past 12 months)	22,502

Source: MRI Apartment Data August 2026 and Marcus&Millichap Research Brief September 2026

Multiple Forces Drive Rates Higher, Creating Challenges & Opportunities

Silver-lining of higher rates. Development activity is slowing as construction and financing costs rise, potentially creating favorable supply-demand conditions across many property sectors.

- Conventional commercial real estate borrowing costs have risen into the 6-to-7 percent range, increasing financing costs for investors.
- Higher debt costs continue to pressure underwriting assumptions and widen the pricing gap between buyers and sellers.
- Despite higher rates, lender liquidity remains relatively strong, with multiple debt providers actively pursuing new originations.
- Elevated financing costs, higher construction expenses, tariffs, and labor shortages are making new development projects increasingly difficult to justify.
- As a result, commercial real estate deliveries are slowing across many property sectors.
- Demand remains positive across many markets, and constrained supply could tighten vacancy rates and support the next cycle of rent growth.
- While higher interest rates may continue to weigh on asset values, improving property fundamentals and future rent growth could create attractive opportunities for long-term investors