HOUSTON Multifamily Market Performance

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

	Oct '26	10 Yr Avg
Occupancy	91.3%	89.6%
T12 Rent Trends	-1.6% ↘	2.62% ↗
T12 Absorption	19.52K	17.18K
T12 Completions	22.23K	17.71K

Oct 2026 MARKET SNAPSHOT

Rental Growth Rate	-1.6% ↘
# of Operating Units	803,031
Size (sf)	898
Price ($/mo)	$1,245
Rental Rate ($/sf/mo)	$1.39
Occupancy (%)	91.3%
Units Opened (Past 12 months)	17,653
Units Under Construction	12,992
Proposed Units	33,351
Units Absorbed (Past 12 months)	22,232

Source: MRI Apartment Data Oct 2026 and Marcus&Millichap Market Insights 11/4/26

Rising Interest Rates Pressure Near-Term buyer-Seller Alignment

Multifamily transaction velocity in the third quarter reached the second-highest level in four years based on preliminary date. While diminishing construction activity should support improving fundamentals and investor sentiment across many markets, higher interest rates could constrain acquisition leverage and widen the gap between buyers' underwriting and sellers' expectations. Even with tightening vacancy and stronger rent-growth prospects, sellers may have to accept lower valuations to accommodate higher financing costs, potentially slowing dealmaking as pricing recalibrates. Longer term, improving property cash flows could help offset those pressures and support renewed alignment.

Key Takeaways

- Sun Belt markets are poised to maintain the strongest apartment absorption relative to inventory.
- Concessions continue to decline, although longer times to fill vacant units may still require some incentives.
- The active multifamily pipeline and the number of single-family houses starting development continued to shrink during the third quarter.
- Higher borrowing costs could challenge buyer-seller alignment and temper transaction momentum, even as improving fundamentals support investor interest.