



Houston

Multifamily
22Q1

Key Takeaways

- Occupancy remained at 91.5%
- Absorption dropped by more than half over the quarter
- Average rents rose over the year and over the quarter
- The quarterly median sales price and cap rates dropped



Occupancy Rate

91.5%

YOY

FORECAST



Net Absorption

1.7K Units

YOY

FORECAST



Under Construction

13.7K Units

YOY

FORECAST



Overall Class A Asking Monthly Rent

\$1,212

YOY

FORECAST

Houston Highlights

Demand for multifamily housing slowed between quarters recording only 1,708 units of net absorption compared to 4,098 the previous quarter. The average monthly rent for multifamily units increased 2.0% over the quarter from \$1,188 per month in Q4 2021 to \$1,212 per month in Q1 2022. There are over 13,000 units under construction and another 32,800 units are proposed. Occupancy remained steady over the quarter at 91.5% and increased over the year from 88.8% in Q1 2021 to 91.5% in Q1 2022.

Market Indicators



5.3%

Houston \ Unemployment Rate



6.5%

Houston annual % change in employment



\$103.00

WTI Spot Price, U.S. benchmark for light sweet crude

Historic Comparison

	21Q1	21Q4	22Q1
Total Inventory (Existing Units)	692,129	707,625	709,655
Supply (Units Delivered)	2,543	2,490	2,030
Demand (Units Absorbed)	4,951	4,098	1,708
Occupancy	88.8%	91.5%	91.5%
Under Construction (Units)	16,951	15,013	13,656
Average Monthly Rent (Asking)	\$1,058	\$1,188	\$1,212

Market Fundamentals



Source: Apartmentdata.com

Houston's overall occupancy rate increased 270 basis points over the year. The average monthly rent rose 14.6% from \$1,058 in Q1 2021 to \$1,212 in Q1 2022.

Recent Assignments



Sale*

Villa Sierra
Southeast Houston
336 Units

Sale*

Timbers of Pine Hollow
Outlying Montgomery County
228 Units

Listing*

Fountains of Rosenberg
Richmond/Rosenberg
184 Units

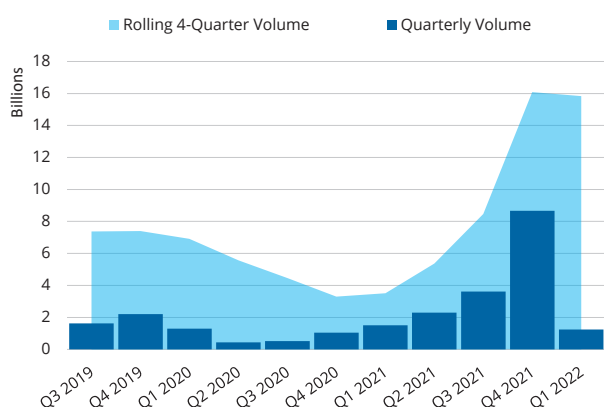
*Colliers transaction or assignment

Source: Apartmentdata.com

Pricing & Sales Volume

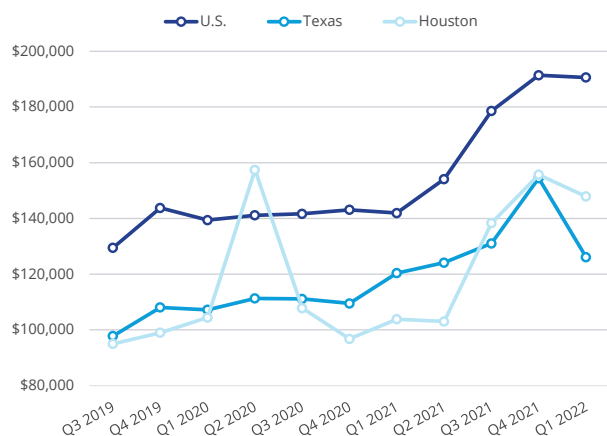
After reaching a historical high in Q4 2021, Houston's multifamily investment sales volume dropped dramatically over the quarter from 8.6 billion to \$1.2 billion. Further, sales volume decreased 17% year-over-year between Q1 2021 to Q1 2022 according to our data provider, Real Capital Analytics.

Houston Sales Volume (\$)



Houston's median sales price per unit decreased by 5% over the quarter from \$155,720 to \$147,897. The U.S. median price per unit fell 0.4% over the quarter from \$191,406 in Q4 2021 to \$190,614 in Q1 2022. Texas recorded the largest quarterly decrease of 22.5%.

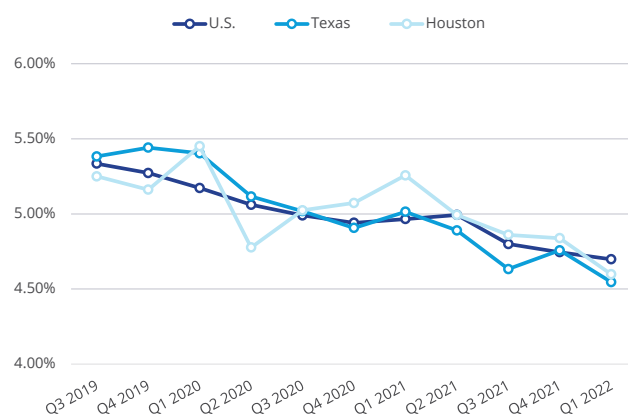
Median Price per Unit



Cap Rates

Houston's multifamily median cap rate decreased on a quarterly basis to 4.6% from 4.8% and the U.S. median cap rate remained steady at 4.7%. Houston's median cap rate decreased 40 basis points from 5.3% over the year. In comparison, the median U.S. cap rate dropped 30 basis points from 5.0% over the year.

Median Cap Rate



Houston	# of Units	Avg Monthly Rent per Unit	Absorption # of Units	Absorption # of Units (Previous)	Occupancy Rate (%)	Occupancy Rate (%) (Previous)
Class A	192,013	\$1,710	2,473	2,949	87.4%	86.9%
Class B	236,888	\$1,221	(948)	573	93.7%	94.1%
Class C	204,668	\$913	(118)	454	92.8%	92.7%
Class D	76,086	\$730	301	122	91.4%	91.0%
Total Market	709,655	\$1,212	1,708	4,098	91.5%	91.5%

Source: Apartmentdata.com



Class B apartment complex sold in an off-market transaction

Colliers in Houston has negotiated the sale of The Park at Woodmoor, a Class B value-add investment asset located at 8787 Shenandoah Park Drive in Shenandoah, TX within The Woodlands submarket of Houston.

The Park at Woodmoor was originally built in 1999 and is bordered by an expanding number of single-family developments and shopping centers that include restaurants and retail in a fast-growing north Houston market. The 220 unit complex offers spacious one and two bedroom apartments, as well as two bedroom, two bath townhomes. Conveniently located off Interstate 45, it makes for a seamless transit to downtown, The Woodlands, and Lake Conroe. In the immediate surrounding area lies multiple rehabilitation, children, maternity, and radiation oncology hospitals. St. Lukes, Houston Methodist, Texas Childrens and Encompass Health are just a few providing a medical network of employers just outside the front door of The Park at Woodmoor.

FOR MORE INFORMATION

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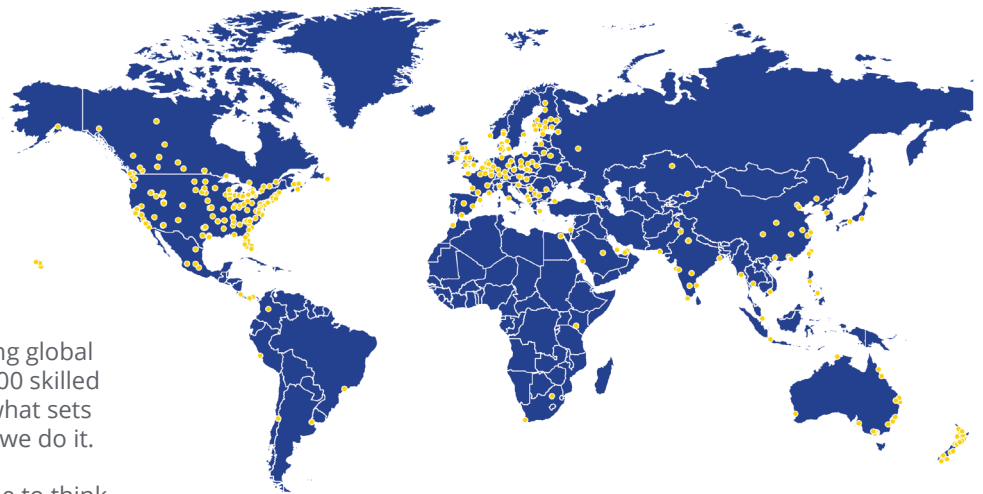
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We've got you covered.



Our Difference

We are enterprising. As an industry-leading global real estate company with more than 18,000 skilled professionals operating in 67 countries, what sets Colliers apart is not what we do, but how we do it.

Our unique culture encourages our people to think differently, to share innovative ideas and to create effective solutions that accelerate our clients' success. Many of the world's most innovative and successful companies choose us when they need trusted, expert advice.



Annualized Revenue
\$4.0B
US\$



Established in
65
Countries



Managing
2B
square feet



Lease/sale transactions
54,000



Assets under management
\$46B



Comprised of
18,000
professionals

Our philosophy

revolves around the fact that the best possible results come from linking our global enterprise with local advisors who understand your business, your market, and how to integrate real estate into a successful business strategy.

- Office
- Industrial
- Land
- Retail
- Healthcare
- Multifamily
- Hotel

