



MARKET AT A GLANCE



**OCCUPANCY RATE** 88.8%

Down 120 bps since 2Q19



**EFFECTIVE RENT** \$1,045

Down 0.1% since 2Q19



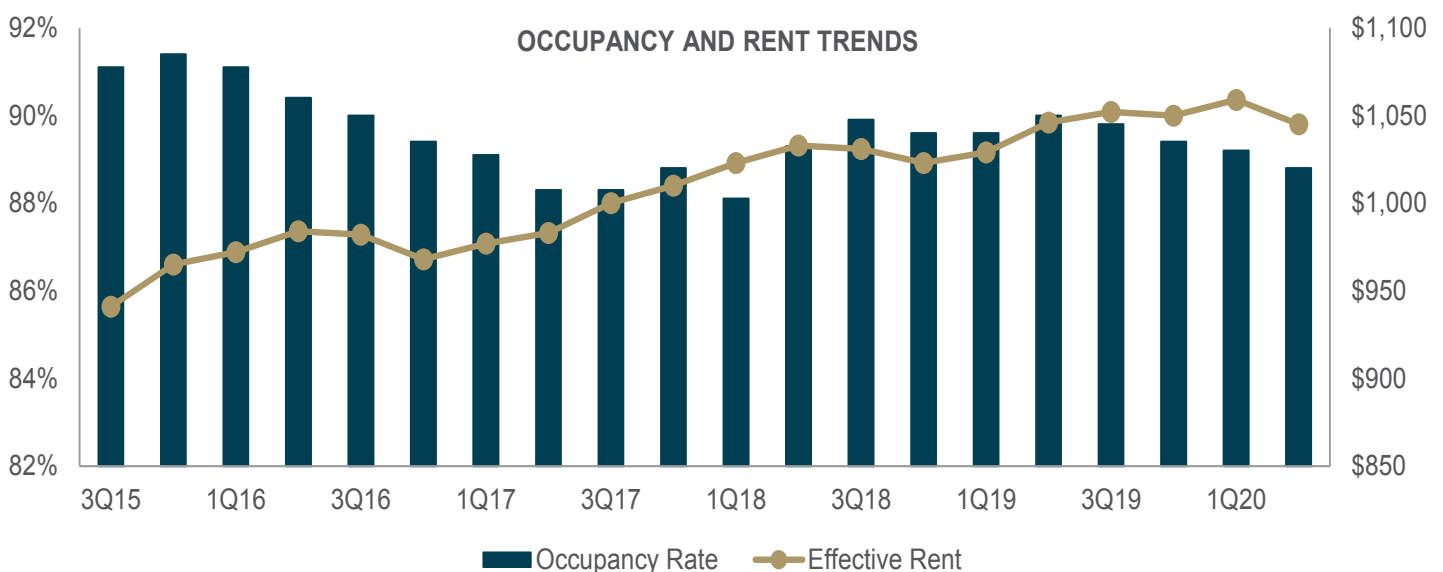
**RENT PAYMENT TRACKER (June 1-27)** 95.9%

Up 90 bps since May 1-27

OCCUPANCY AND RENT TRENDS

APARTMENT DEMAND FOR CLASS B & C ELEVATES OCCUPANCY

Amid the coronavirus pandemic, Houston renters have prioritized paying for housing. From June 1 to 27, 95.9% of renters in professionally managed apartments made a full or partial rent payment in Houston, compared to the national average of 94.2%. Overall, local renters have seen a reduction in lease costs as rent fell 1.3% from the first quarter of 2020 to an average of \$1,045 per month in the second quarter. Part of the decrease can be attributed to a rise in concessions, especially among Class A operators. Class A rent lowered 3.7% in the second quarter amid increased competition. As nearly 5,250 units came online in the last three months, occupancy in Class A properties fell from 83.0% in the first quarter to 80.7% in the second quarter. Conversely, Class B and C occupancy increased at the same time by 20 basis points and by 30 basis points, respectively. Overall, average occupancy has dropped 40 basis points quarter over quarter to 88.8%. The 30+ day delinquency rate of apartment mortgage loans decreased 30 basis points to 0.8% in June across the metro. The number of approved loan forbearance requests has been growing. In June, the approval rate stood at 3.3% in Houston.



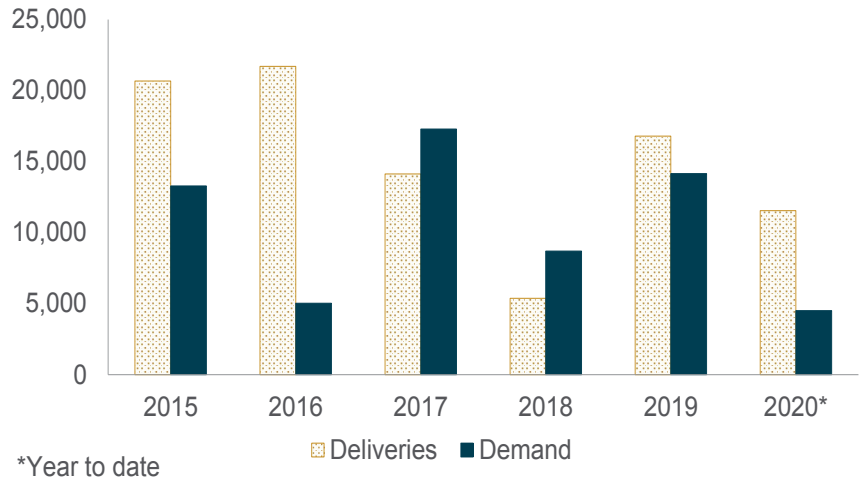
**DELIVERIES AND DEMAND**



**DELIVERIES** 11,549  
Units YTD



**NET ABSORPTION** 4,504  
Units YTD



**ECONOMIC TRENDS**

2019 3.7% ..... **UNEMPLOYMENT\*** ..... 2020 14.2%  
**1,050 BPS CHANGE**

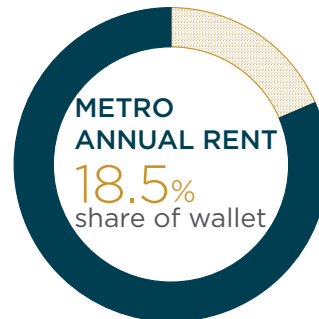
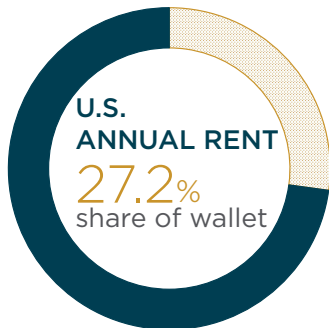
2019 3.2m ..... **EMPLOYMENT\*** ..... 2020 2.9m  
**-7.2% CHANGE**

2019 96.2k ..... **EXISTING SFH SALES\*\*** ..... 2020 75.9k  
**-21.1% CHANGE**

2019 7.1m ..... **POPULATION\*\*** ..... 2020 7.2m  
**1.6% CHANGE**

2019 2.07% ..... **10-YEAR TREASURY\*\*** ..... 2020 0.73%  
**-130 BPS CHANGE**

\*May; \*\*June



# HOUSTON

MULTIFAMILY REPORT

## SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Alief	91.3%	50	10	\$869	-1.0%	0.0%	141	29	0	0
Almeda/South Main	91.8%	-40	50	\$880	0.8%	3.4%	-18	24	0	0
Alvin/Angleton/Lake Jackson	80.7%	-100	-770	\$853	-2.4%	-3.6%	-90	-841	24	24
Baytown	86.0%	70	-130	\$906	-1.1%	-0.2%	75	331	0	541
Bear Creek/Copperfield/Fairfield	88.9%	-90	-390	\$1,099	-1.0%	0.6%	371	501	592	1,289
Beltway 8/I-45 South	91.0%	140	280	\$924	0.7%	1.5%	193	556	0	188
Braeswood/Fondren SW	89.5%	60	100	\$809	1.0%	1.9%	149	229	0	0
Brookhollow/Northwest Crossing	89.4%	130	-210	\$882	-2.3%	-0.1%	257	110	0	604
Clear Lake/Webster/League City	90.2%	-90	-80	\$1,078	-1.0%	-1.7%	128	153	379	379
Conroe North/Montgomery	89.4%	-60	-480	\$942	-2.1%	-2.1%	-8	-66	48	390
Dickinson/Galveston	90.6%	-20	-150	\$944	0.1%	-0.4%	-25	-181	0	0
Downtown	84.5%	-360	-190	\$1,953	-8.7%	-2.0%	-222	-117	0	0
Energy Corridor/CityCentre/Briar Forest	89.3%	-30	70	\$1,139	-3.1%	-3.6%	-115	212	0	0
FM 1960 East/IAH Airport	89.9%	80	-400	\$921	-0.1%	2.6%	74	100	0	497
Friendswood/Pearland East	93.4%	-190	40	\$1,054	0.8%	1.7%	-105	28	0	0
Galleria/Uptown	89.3%	-90	30	\$1,265	-4.7%	-1.2%	-238	63	0	0
Greenspoint/Northborough/Aldine	91.1%	60	40	\$753	-0.3%	2.0%	113	70	0	0
Heights/Washington Ave	76.0%	-170	-1,090	\$1,538	-4.3%	-3.5%	17	344	325	2,130
Highland Village/Upper Kirby/West U	86.4%	-320	-620	\$1,697	-5.2%	-1.6%	-337	-225	251	921
Hwy 288 South/Pearland West	91.4%	110	380	\$1,171	-0.6%	0.9%	136	693	0	252
I-10 East/Woodforest/Channelview	89.5%	10	160	\$874	0.5%	0.2%	12	201	0	0
I-69 North	94.5%	160	810	\$845	-1.2%	0.5%	62	321	0	0
Inwood/Hwy 249	91.9%	-20	120	\$823	1.7%	3.4%	-14	71	0	0
Jersey Village/Cypress	91.8%	-120	-50	\$1,020	0.5%	-0.2%	97	199	301	301
Katy/Cinco Ranch/Waterside	84.4%	210	-320	\$1,196	-0.9%	-0.6%	625	1,950	0	3,349
Lake Houston/Kingwood	82.1%	-230	-100	\$1,145	0.8%	3.1%	206	907	657	1,284
Med Center/Braes Bayou	87.8%	-220	-170	\$1,250	-2.1%	-5.4%	-256	-7	336	478
Memorial/Spring Branch	89.4%	80	-60	\$988	-1.3%	0.5%	171	269	0	467
Montrose/Museum/Midtown	85.8%	-90	-230	\$1,682	-4.7%	-3.4%	-140	357	0	804
Northeast Houston/Crosby	88.2%	-30	160	\$854	1.1%	2.4%	-12	51	0	0
Northline	91.1%	60	-130	\$809	0.5%	3.1%	41	-89	0	0
Pasadena/Deer Park/La Porte	90.0%	-120	-120	\$877	2.1%	1.7%	48	47	348	348
Richmond/Rosenberg	91.5%	140	-210	\$1,017	1.2%	5.2%	72	158	0	280
Sharpstown/Westwood	91.6%	40	40	\$743	1.2%	2.5%	97	82	0	0
Sugar Land/Stafford/Sienna	91.4%	30	130	\$1,174	-2.3%	-1.9%	36	551	0	406
Tomball/Spring	83.4%	-320	-320	\$1,142	-0.9%	-1.6%	115	757	718	1,457
U of H/I-45 South	90.6%	140	230	\$770	-0.8%	2.8%	257	667	0	262
Westchase	91.7%	40	0	\$978	-1.1%	-0.4%	65	3	0	5
Westpark/Bissonnet	90.8%	-80	-130	\$762	-2.1%	-0.3%	-123	-206	0	0
Willowbrook/Champions/Ella	89.7%	-70	-90	\$941	0.6%	1.7%	318	250	684	684
Woodlake/Westheimer	91.5%	-30	0	\$1,006	-0.3%	-0.3%	-31	9	0	0
Woodlands/Conroe South	88.8%	-300	-430	\$1,180	0.0%	-3.0%	-88	-137	583	801
<b>TOTALS</b>	<b>88.8%</b>	<b>-40</b>	<b>-120</b>	<b>\$1,045</b>	<b>-1.3%</b>	<b>-0.1%</b>	<b>2,054</b>	<b>8,424</b>	<b>5,246</b>	<b>18,141</b>

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