MARKET SPOTLIGHT

2026 Q2 Multi Family

Houston, TX Metro Area

Houston's multifamily market in Q2 2026 reflects strong underlying demand but continued near-term pressure on rents and occupancy as new supply works through the market. Vacancy stood at 12.1%, while average monthly rent was $1,366 per unit, a 0.9% decline year over year. At the same time, the market absorbed approximately 12,601 units, nearly matching the 12,825 units under construction, suggesting that population growth and household formation continue to support demand despite elevated vacancy. Investment activity improved, with 12-month sales volume increasing 21.8%, while the average market cap rate was 6.8%, indicating renewed transaction momentum and potentially attractive going-in yields for buyers. Houston's broader fundamentals also remain supportive, with 1.1% job growth and 1.6% population growth, both outperforming national levels. For current owners, the key challenge remains maintaining occupancy and protecting rents in a competitive leasing environment, while investors may find opportunities in a market where strong long-term demographic demand is beginning to absorb a significant pipeline of new supply.

Local CRE:

VACANCY	12.1%	▼
AVG. MARKET RENT/UNIT	$1,366	▼
ANNUAL RENT GROWTH	-0.9%	▼
ABSORBENCY (UNITS)	12,601	▲
UNITS UNDER CONSTRUCTION	12,825	▲
12 MONTH SALES VOLUME GROWTH	21.8%	▲
MARKET CAP RATE	6.8%	▲

Local Economy:

UNEMPLOYMENT RATE	5.2%	▲
JOB GROWTH	1.1%	▲
POPULATION GROWTH	1.6%	▲

National CRE:

VACANCY	7.9%	▼
AVG. MARKET RENT/UNIT	$1,802	▲
ANNUAL RENT GROWTH	1.2%	▲
AVG. ABSORBENCY (UNITS)	3,160	▲
AVG. UNITS UNDER CONSTRUCTION	6,155	▲
12 MONTH SALES VOLUME GROWTH	17.0%	▲
MARKET CAP RATE	6.2%	▲

National Economy:

UNEMPLOYMENT RATE	4.1%	▼
JOB GROWTH	0.2%	▼
POPULATION GROWTH	0.5%	▲

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