

### Multifamily rent growth slows across Texas metros as more supply hits the market.

#### Houston Multifamily

By the end of Q3 2023, 3,593 units were absorbed in Houston's multifamily market. Quarter-over-quarter, absorption moderately increased from 3,440 units in Q2 2023. Year-over-year, absorption surged from -708 units in Q3 2022. Year-to-date, absorption totaled 11,939 units—more than tripling from the prior year-to-date figure of 3,809 units. Demand has been driven in large part by absorption from Class A properties, as demand for Class B & Class C properties have still not fully recovered. Built in 2023, Ltd. Med Center—a Class A property—at 12806 Buffalo Speedway is already 81% occupied as of September. The overall occupancy rate is at 89.9%, down 140 basis points from the prior year's 91.3%. This decrease in the overall occupancy rate can be partially attributed to the 29% increase in deliveries year-over-year—6,296 units in Q3 2023. Year-to-date, deliveries amounted to 20,118 units. The average monthly asking rent stood at \$1,304 per unit, slightly down from \$1,312 per unit in Q2 2023.

#### Austin Multifamily

On the quarter, deliveries increased 11% from 6,776 units to 7,508 units in the Austin multifamily market. Year-over-year, deliveries almost doubled from 3,996 units in Q3 2022. Year-to-date, deliveries totaled 18,001 units—outpacing year-to-date absorption by 9,160 units. Notable completions within Q3 include a 750,000-sq.-ft. apartment building (336 units) at 2005 Crystal River Parkway in September, and 500,000-sq.-ft. apartment building (382 units) at 2001 Plateau Vista Boulevard in July. These increases in supply have contributed to the occupancy rate dropping 140 basis points year-over-year from 91.8% to 88.6%. The average monthly asking rent stood at \$1,608 per unit, 3% down from the previous quarter's \$1,653 per unit.

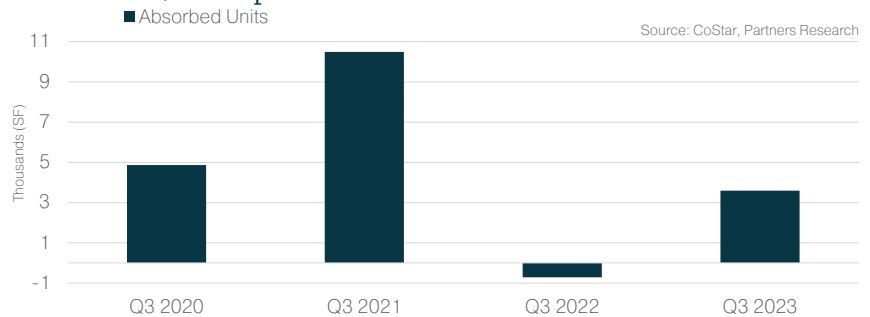
#### San Antonio Multifamily

Within the past 10 years (Q3 2013), inventory has grown by 43%, totaling 251,700 units by the end of Q3 2023. Year-over-year, construction increased 7% from 17,031 units to 18,329 units. Construction increased slightly from 18,253 units in Q2 2023 and increased 7% from 17,031 units in Q3 2022. On the quarter, Class B multifamily led construction with 14,455 units underway (79%). Class B projects underway in Q3 2023 included a 273,088-sq.-ft. apartment building (324 units) at 4462 Wurzbach Road, a 220,000-sq.-ft. apartment building (216 units) at 10901 Bandera Road. These two projects are set to be delivered in January 2025 and July 2025, respectively. The overall occupancy rate is at 88.7%, down 10 basis points from the previous year's 88.8%. The average monthly asking rent stood at \$1,217 per unit, slightly down from \$1,233 per unit the prior quarter.

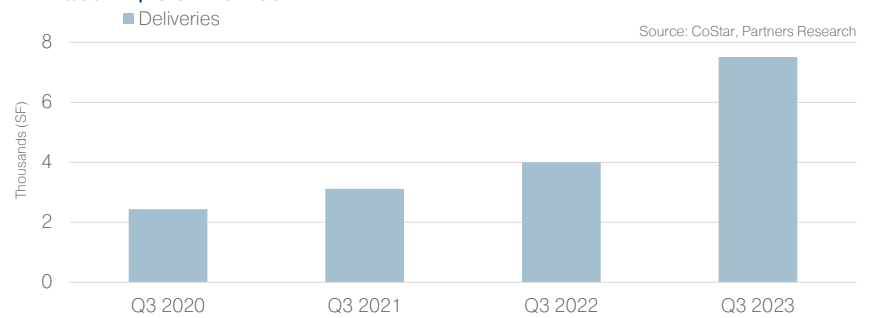
#### Dallas Multifamily

Dallas-Fort Worth (DFW) led multifamily construction in Texas with 66,272 units underway, followed by Austin with 46,401 units in Q3 2023. Over the prior three years, construction averaged 47,000 sq. ft. annually. Notable projects underway in Q3 include a 638,000-sq.-ft. apartment building (638 units) at 5201 Shadydel Drive, and 493,212-sq.-ft. apartment building (812 units) at 4060 Beacon Square Boulevard. These two projects are set to be delivered in May 2024 and November 2024, respectively. Quarter-over-quarter, absorption decreased 17% from 5,236 units to 4,301. However, year-over-year absorption surged from 939 units in Q3 2022. The average monthly asking rent stood at \$1,509 per unit, slightly lower than \$1,527 per unit in Q2 2023.

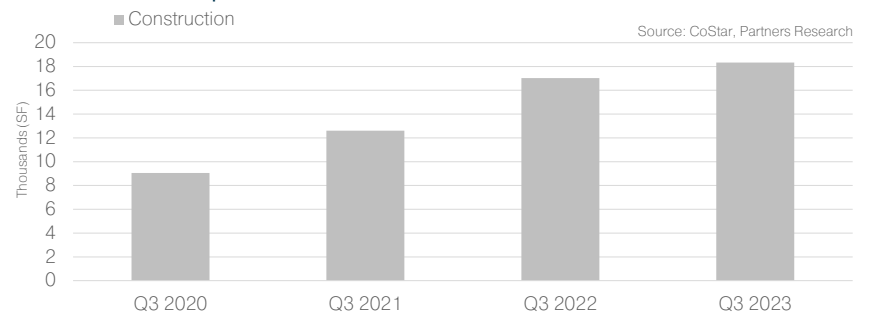
#### Houston | Absorption



#### Austin | Deliveries



#### San Antonio | Construction



#### Dallas | Construction

