ApartmentData.com has been providing apartment data and marketing products since 1986. We provide real time access for property specific information, market surveys and historic submarket data for over 3.5 million apartment units in AZ, FL, GA, NC, TN, and TX.

Bruce McClenny
President
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HOUSTON OVERVIEW

Occupancy: 89.0%
Price: 1,048 $/mo
Rental Rate: 1.18 $/sf/mo
Size: 885 sf

Past 12 Months:
-0.6% Rental Rate growth
8,998 units absorbed

Operating Supply:
2,879 communities
678,332 units

Recently Opened (12 mo):
80 communities
22,274 units

Under Construction:
63 communities
17,809 units

Proposed Construction:
88 communities
27,546 units

The box on the left displays a snapshot of the current market conditions.

The graph on the right displays the overall occupancy and effective rental prices over the past 24 months. These statistics are derived from a continuous survey of all apartment communities. Effective rental prices are calculated net of concessions and utility adjustments.

The table below lists the 5 hottest submarkets in the Greater Houston area. There are a total of 42 submarkets, and the ranking is based on the best combination of rental rate growth and absorption over the past 3 months.

The table below distributes and analyzes concessions (specials) by classification. Concessions generally are represented by three types of specials: move-in, months free, or floorplan. ApartmentData.com captures the effect of these specials and prorates them over a lease term to arrive at a percentage reduction in market or street rents.

HOTTEST SUBMARKETS
Over The Past 3 Months

<table>
<thead>
<tr>
<th>Rank</th>
<th>Submarket</th>
<th>Annualized Growth %</th>
<th>% of Mkt Absorbed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Richmond/ Rosenberg</td>
<td>8.4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2</td>
<td>Clear Lake/ Webster/ League City</td>
<td>6.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>3</td>
<td>Lake Houston/ Kingwood</td>
<td>3.6%</td>
<td>2.4%</td>
</tr>
<tr>
<td>4</td>
<td>Willowbrook/ Champions/ Ella</td>
<td>8.0%</td>
<td>0.8%</td>
</tr>
<tr>
<td>5</td>
<td>Katy/ Cinco Ranch/ Waterside</td>
<td>1.2%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

CONCESSIONS

<table>
<thead>
<tr>
<th>Class</th>
<th>Total Units w/ Concessions</th>
<th>% of Total Units</th>
<th>Citywide Effect</th>
<th>Average Special</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL</td>
<td>332,506</td>
<td>49%</td>
<td>-3.6%</td>
<td>-6.9%</td>
</tr>
<tr>
<td>A</td>
<td>101,280</td>
<td>64%</td>
<td>-6.0%</td>
<td>-9.0%</td>
</tr>
<tr>
<td>B</td>
<td>129,747</td>
<td>47%</td>
<td>-2.5%</td>
<td>-5.2%</td>
</tr>
<tr>
<td>C</td>
<td>89,731</td>
<td>46%</td>
<td>-2.4%</td>
<td>-5.4%</td>
</tr>
<tr>
<td>D</td>
<td>11,748</td>
<td>26%</td>
<td>-1.6%</td>
<td>-6.1%</td>
</tr>
</tbody>
</table>

Other Texas Markets

DALLAS/FT WORTH

Occupancy: 91.6%
Price: 1,163 $/mo
Rental Rate: 1.33 $/sf/mo
Size: 877 sf

Past 12 Months:
0.4% Rental Rate growth
19,631 units absorbed

Operating Supply:
3,194 communities
756,839 units

SAN ANTONIO

Occupancy: 90.1%
Price: 984 $/mo
Rental Rate: 1.15 $/sf/mo
Size: 854 sf

Past 12 Months:
-1.1% Rental Rate growth
3,663 units absorbed

Operating Supply:
937 communities
200,529 units

AUSTIN

Occupancy: 89.7%
Price: 1,277 $/mo
Rental Rate: 1.46 $/sf/mo
Size: 875 sf

Past 12 Months:
-3.0% Rental Rate growth
6,125 units absorbed

Operating Supply:
1,043 communities
244,967 units

August 2020