



MULTIFAMILY REPORT

# Austin's Banner Year

Fall 2021

**Rent Growth Decelerates Slightly**

**Development Slated for Decade High**

**Transactions Surge, PPU Marks New Peak**

# AUSTIN MULTIFAMILY



## Robust In-Migration Bolsters Demand

A year and a half into the pandemic, Austin is strengthening its position as a hot market for investment, attracting out-of-state corporate relocations and reinforcing its high-tech hub status. Paired with robust demographic expansion, the multifamily market continued to expand, with rents rising 2.1% on a trailing three-month basis through September to \$1,620, surpassing the \$1,558 U.S. average. Meanwhile, the occupancy rate in stabilized properties increased a solid 160 basis points in the 12 months ending in August, to 95.2%.

Austin's unemployment rate improved to 3.8% in August, outperforming the 5.9% Texas rate and the 5.2% U.S. figure. In fact, the local employment market ranked first among major metros, rising 5.0% in the 12 months ending in July, double the 2.5% national rate. Austin's largest sectors—professional and business services and trade, transportation and utilities—expanded by 13.0% and 7.7%. In this context, moves such as Tesla's headquarters relocation both fuel and underpin an already decade-long trend.

Developers delivered 7,838 units in 2021 through September and had another 38,489 units under construction, with the primary focus on Lifestyle projects. Meanwhile, the transaction volume surpassed \$1.9 billion, with the price per unit climbing another 18.5% year-over-year, to \$184,701.

## Market Analysis | Fall 2021

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(303) 615-3676

#### Jack Kern

Director of Research  
and Publications  
[Jack.Kern@Yardi.com](mailto:Jack.Kern@Yardi.com)  
(800) 866-1124 x2444

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x2404

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

#### Anca Gagiuc

Senior Associate Editor

### Recent Austin Transactions

#### The Davis SoCo



City: Austin, Texas  
Buyer: Kairoi Residential  
Purchase Price: \$95 MM  
Price per Unit: \$253,119

#### The Vineyard



City: Pflugerville, Texas  
Buyer: Treeline Partners  
Purchase Price: \$89 MM  
Price per Unit: \$ 189,459

#### Muir Lake



City: Cedar Park, Texas  
Buyer: Old Three Hundred Capital  
Purchase Price: \$82 MM  
Price per Unit: \$246,586

#### The Morgan



City: Austin, Texas  
Buyer: CAF Capital Partners  
Purchase Price: \$80 MM  
Price per Unit: \$159,074