



MULTIFAMILY REPORT

# Austin: Conducting A Recovery

March 2022

**Strong Economy Hastens Recovery**

**YoY Rent Growth Among Highest in the US**

**Deliveries, Transaction Volume Mark New Highs**



# AUSTIN MULTIFAMILY



## Demand Boosts Rents, Occupancy, Supply

Austin sits at an inflection point between midsize city and world-class tech hub, which has its advantages and disadvantages. On one hand, it boasts a strong economy that helped it recover faster from the pandemic's woes, but on the other it faces a deepening housing affordability issue, as developers struggle to work with an outdated land code to keep up with elevated demand. Rent growth mirrors the robust demand, up 0.6% on a T3 basis through January, to \$1,694, as does the occupancy rate in stabilized properties, up 230 basis points year-over-year through December, to 95.8%.

Austin is one of the few metros that has managed to recover jobs lost during the pandemic. The unemployment rate stood at 2.9% in December, surpassing both the state (5.0%) and the U.S. (3.9%) averages. The job market posted a 7.4% expansion, or 85,800 jobs, in the 12 months ending in November, outperforming the 4.6% national rate. Professional and business services led growth (29,900 jobs), sustained by the plethora of tech firms that moved into the metro. With several billion-dollar projects underway, Austin has strong prospects for a sustained economic expansion.

Developers delivered 1,075 units in January 2022 and had 37,813 units under construction, continuing the accelerated pace of deliveries, which last year marked the best level of the decade. Multifamily sales recorded a new high of \$4.3 billion in 2021.

## Market Analysis | March 2022

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### Recent Austin Transactions

#### Tides on Copper Creek



City: Austin, Texas  
Buyer: Tides Equities  
Purchase Price: \$137 MM  
Price per Unit: \$253,851

#### The Place at 1825



City: Pflugerville, Texas  
Buyer: MC Cos.  
Purchase Price: \$94 MM  
Price per Unit: \$205,544

#### Bridge at Ribelin Ranch



City: Austin, Texas  
Buyer: Austin Affordable Housing Corp.  
Purchase Price: \$93 MM  
Price per Unit: \$266,712

#### Nexus East



City: Austin, Texas  
Buyer: Ardent Residential  
Purchase Price: \$93 MM  
Price per Unit: \$263,258