



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woes, but on the other it faces a deepening housing affordability issue, as developers struggle to work with an outdated land code to keep up with elevated demand.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

Contacts

Jeff Adler

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

Jack Kern

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

Ron Brock, Jr.

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

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

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