



MULTIFAMILY REPORT

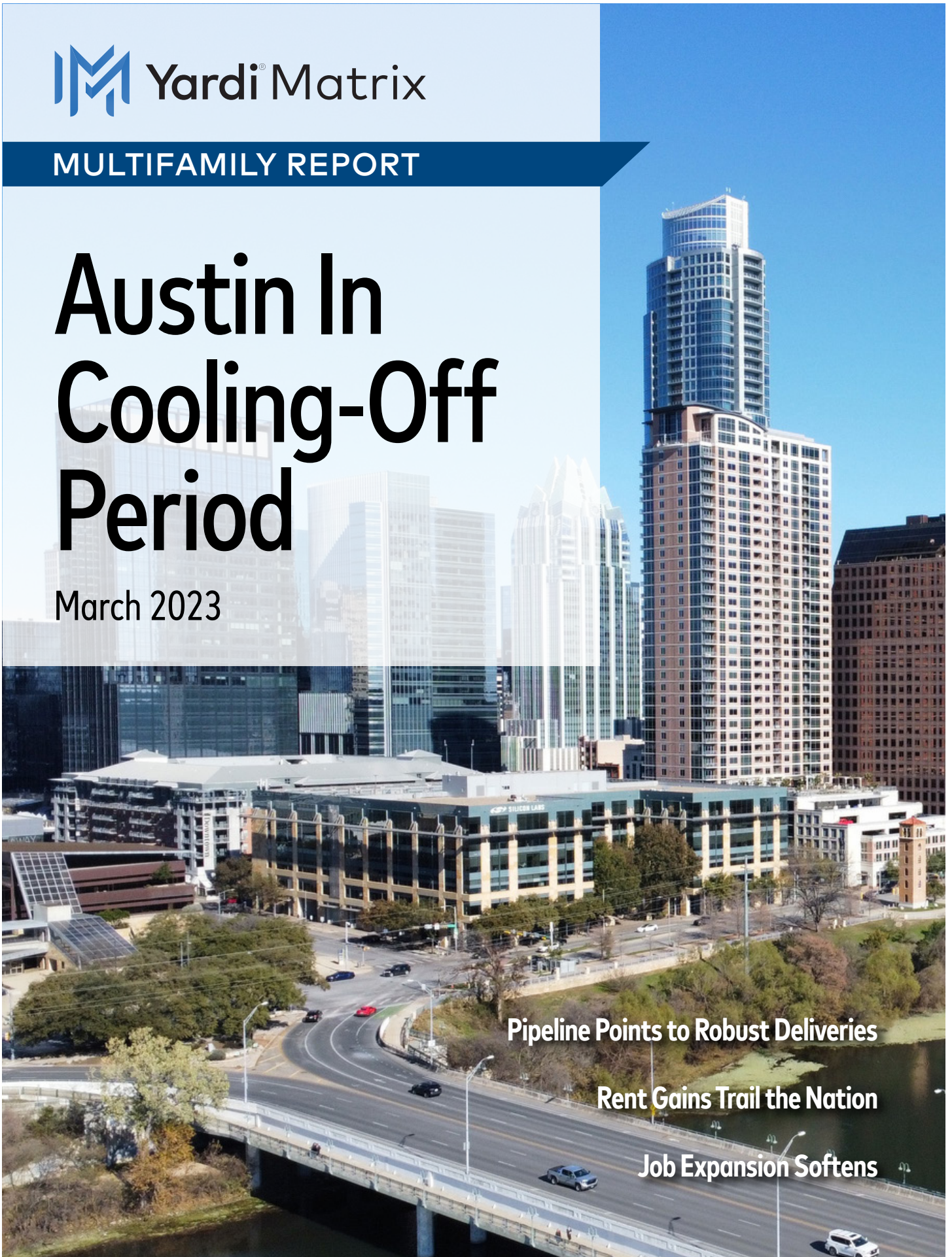
# Austin In Cooling-Off Period

March 2023

**Pipeline Points to Robust Deliveries**

**Rent Gains Trail the Nation**

**Job Expansion Softens**



# AUSTIN MULTIFAMILY



## Strong Supply Additions Continue

With an ongoing economic slowdown that's cooling investment nationwide, one of the country's most active housing markets is ready for its test. While Austin is well positioned to weather what's ahead, caution is still advised. The robust deliveries of 2022 have yet to be absorbed, and coupled with a seasonal slowdown, this has led rents to trend downward for five consecutive months, contracting by 0.5% on a trailing three-month basis as of January, lagging the -0.3% U.S. rate. Occupancy declined 120 basis points year-over-year in December, to 94.5%.

Austin unemployment dropped to 2.7% in December, outperforming the state (3.9%) the nation (3.5%), and all other major Texas metros—Dallas (3.2%), Houston (3.9%) and San Antonio (3.3%)—according to preliminary data from the Bureau of Labor Statistics. Job growth softened, posting a 5.5% expansion in the 12 months ending in November, still 150 basis points above the U.S. rate, and the equivalent of 57,300 new jobs. Leisure and hospitality led gains, adding 24,900 positions, powered by major events supporting the sector's resurgence.

As of January 2023, developers hadn't delivered any new projects and had 57,031 units under construction. Last year, stock expansion amounted to 5.4% of total inventory, ranking Austin first in the country. Meanwhile, investors traded \$148 million in assets in January, for a price per unit that rose 12.6% above the December rate.

## Market Analysis | March 2023

### Contacts

#### Jeff Adler

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

#### 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

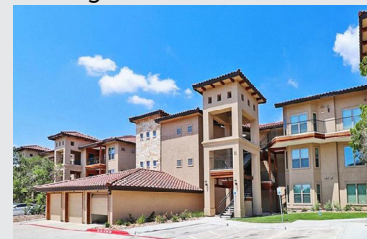
#### Author

#### Anca Gagiuc

Senior Associate Editor

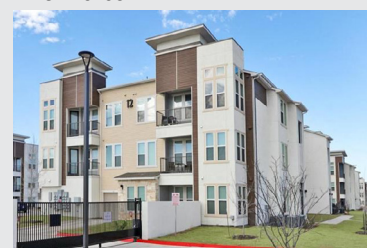
### Recent Austin Transactions

#### Heritage Woods



City: Austin, Texas  
Buyer: Austin Affordable Housing Corp.  
Purchase Price: \$91 MM  
Price per Unit: \$305,951

#### The Dalton



City: Pflugerville, Texas  
Buyer: TerraCap Management  
Purchase Price: \$85 MM  
Price per Unit: \$243,810

#### The Village at Gracy Farms



City: Austin, Texas  
Buyer: IDEAL Capital Group  
Purchase Price: \$52 MM  
Price per Unit: \$170,299

#### Creekstone



City: Austin, Texas  
Buyer: Rockwood Capital  
Purchase Price: \$52 MM  
Price per Unit: \$184,014