



MULTIFAMILY REPORT

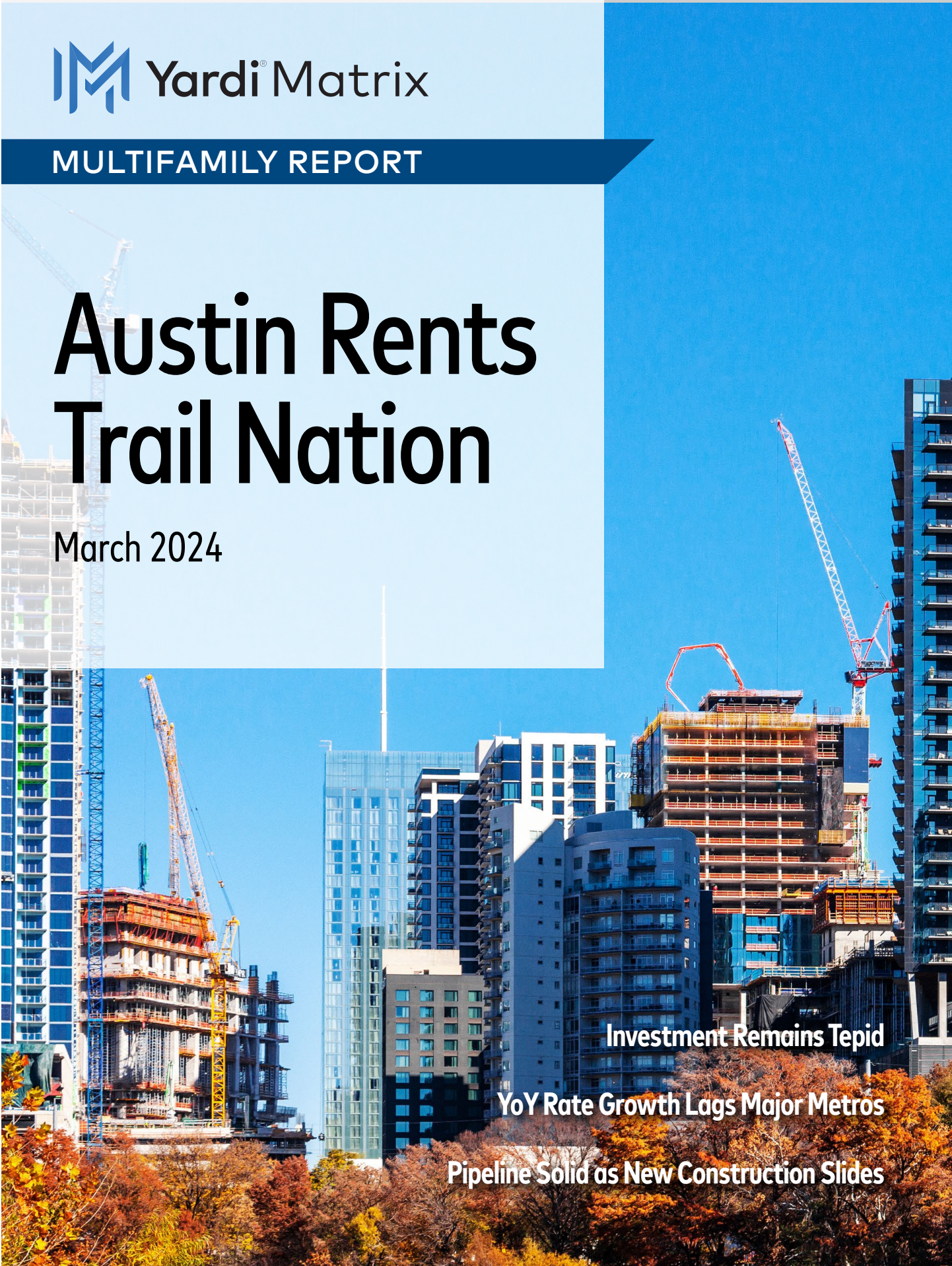
Austin Rents Trail Nation

March 2024

Investment Remains Tepid

YoY Rate Growth Lags Major Metros

Pipeline Solid as New Construction Slides



AUSTIN MULTIFAMILY



Rents Impacted By Strong Supply Gains

At the start of 2024, Austin's multifamily fundamentals were unsteady, but overall, the state capital is well equipped to overcome its challenges. The biggest concern is supply, which is expected to further impact rent growth, with figures in negative territory since last July. The average asking rent decreased 0.7% on a trailing three-month basis through January, to \$1,623, lagging the \$1,710 U.S. average. The occupancy rate in stabilized properties also reflects the robust supply additions, decreasing 0.9% in the 12 months ending in January, to 93.0%.

Austin boasts a diversified and stable economy, with unemployment at 3.0% in December, above the national (3.7%) and state (4.0%) rates as well as all other major Texas metros, according to data from the Bureau of Labor Statistics. Additionally, in the 12 months ending in November, the employment market expanded 3.2%, or 36,800 jobs, 100 basis points above the U.S. rate. The professional and business services sector (13,400 jobs) continued to lead gains, followed by education and health services (8,700 jobs) and mining, logging and construction (8,100 jobs).

Developers delivered 14,600 units in 2023 and the pipeline remained robust, with 57,937 units under construction as of January. However, construction starts fell 35% in 2023. Meanwhile, transaction activity remained tepid. Just one sale was recorded at the start of the year—an RBN asset valued at \$117,717 per unit.

Market Analysis | March 2024

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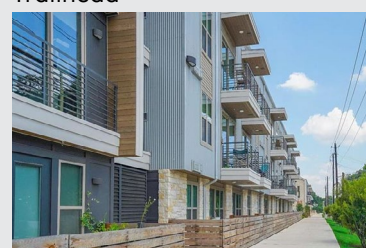
Recent Austin Transactions

Bridge at Waters Park



City: Austin, Texas
Buyer: Austin Affordable Housing Corp.
Purchase Price: \$93 MM
Price per Unit: \$210,133

Trailhead



City: Austin, Texas
Buyer: ParkProperty Capital
Purchase Price: \$53 MM
Price per Unit: \$170,996

Water Oak



City: Austin, Texas
Buyer: Sherman Residential
Purchase Price: \$38 MM
Price per Unit: \$131,279

The Element at Austin



City: Austin, Texas
Buyer: Narrow Road Group
Purchase Price: \$34 MM
Price per Unit: \$120,159