

Yardi[®] Matrix

Unfazed Austin

Multifamily Report Winter 2019/II

Development Pipeline Remains Strong

Employment Growth Sustains Demand

Transaction Activity Softens

AUSTIN MULTIFAMILY

Market Analysis

Winter 2019/II

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Construction Surge Powers Through

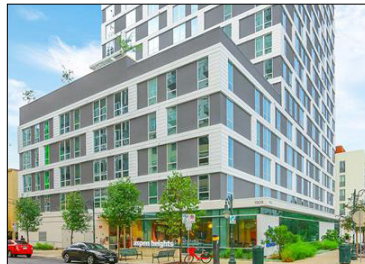
As one of the fastest-growing metros in the U.S., Austin showed solid multifamily fundamentals in 2018. Despite a consistent pipeline, rent growth continued to accelerate, ending 2018 at 3.6% year-over-year. Occupancy in stabilized properties rose a strong 80 basis points in the 12 months ending in November 2018, mirroring a healthy pace of absorption and showing that Austin has room for further growth.

Employment growth was diverse and above the 3.0% mark all year, reaching 3.5% year-over-year through October, well ahead of the 2.1% national rate. The metro added 40,400 jobs, with trade, transportation and utilities (12,700 jobs) leading growth. Professional and business services added 7,000 positions and is expected to continue performing well following the announcement of Apple's new \$1 billion, 133-acre campus in North Austin, which is anticipated to employ 15,000 people over the next five years.

Roughly 10,500 units were delivered in 2018, with less than a quarter in the Renter-by-Necessity class and 1,234 units in fully affordable communities. The metro had nearly 19,000 units underway as of December—we expect 11,730 units to be delivered in 2019. Considering Austin's strong fundamentals and steady pace of deliveries, Yardi Matrix anticipates its rents to rise 2.0% this year.

Recent Austin Transactions

Signature 1909



City: Austin, Texas
Buyer: The Preiss Co.
Purchase Price: \$55 MM
Price per Unit: \$331,325

Paradise Oaks



City: Austin, Texas
Buyer: Fairfield Residential
Purchase Price: \$32 MM
Price per Unit: \$128,022

Sendera Trails



City: Austin, Texas
Buyer: AEW Capital Management
Purchase Price: \$22 MM
Price per Unit: \$114,757

Bridge at Terracina



City: Austin, Texas
Buyer: Housing Authority of Austin
Purchase Price: \$20 MM
Price per Unit: \$117,671