

Yardi® Matrix

Austin: Capital Confidence

Multifamily Report Fall 2019

Rent Growth Ranks Highly

Development Boom Continues

Transaction Activity Remains Elevated

AUSTIN MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Strong Demand Pushes Up Rent Growth

Austin's strong economic performance and demographic expansion are the main drivers of the multifamily market's sustained growth. Rent gains in the metro, up 5.0% year-over-year through August, ranked fourth among the country's major metros. The average rent rose to \$1,416, trailing the national U.S. rate by only \$56.

Employment growth was diverse, and despite softening to 2.2% year-over-year through June, the rate remained well above the national average. The metro gained 22,800 jobs in the 12 months ending in June, with the professional and business services sector (7,600 jobs) leading growth. Office-using jobs accounted for half of Austin's employment gains, with the addition of 11,400 jobs. The metro is the 14th most congested in the U.S., but extensive work on its infrastructure is underway, boosting the trade, transportation and utilities sector by 4,700 jobs. Mining, logging and construction rounded out the top three, with the addition of 3,500 jobs.

More than 5,800 units were delivered in 2019 through August, all upscale. Austin is poised for a new cycle high in deliveries, as its pipeline consists of some 22,000 units, 13,500 of which are slated for completion by the end of the year. More than \$1 billion in multifamily assets traded by August, with a per-unit price of \$157,313. Yardi Matrix expects rents to rise 5.1% in 2019.

Recent Austin Transactions

Madrone



City: Austin, Texas
Buyer: BSR Trust
Purchase Price: \$104 MM
Price per Unit: \$188,448

Bridge at Asher



City: Austin, Texas
Buyer: Housing Authority of Austin
Purchase Price: \$75 MM
Price per Unit: \$165,192

Falconhead



City: Austin, Texas
Buyer: SWBC Real Estate
Purchase Price: \$47 MM
Price per Unit: \$188,817

The Grove



City: Austin, Texas
Buyer: Greenlaw Partners
Purchase Price: \$29 MM
Price per Unit: \$208,659