

Yardi® Matrix

MULTIFAMILY REPORT

Austin: Bracing For Impact

Spring 2020

Employment Softens, Still Above Nation

Robust Deliveries Mark First Quarter

Rent Growth Slightly Recedes

AUSTIN MULTIFAMILY

Yardi® Matrix

A Diverse Economy Keeps The Metro Afloat

Despite its strong evolution throughout the cycle, Austin was not immune to the COVID-19 pandemic. Although some signs were visible during the first four months of 2020, the pandemic's full impact on the multifamily market is yet to be felt. The average rent in the metro has already contracted 0.1% to \$1,389 on a trailing three-month basis through April, outperformed by the national rate that remained unchanged at \$1,465.

Austin gained 27,200 jobs in the 12 months ending in March, for a solid 3.3% year-over-year uptick, well above the 1.4% U.S. average. The metro's largest sectors—trade, transportation and utilities, and professional and business services—accounted for nearly half of the expansion. The effects of the health crisis on the local economy are expected to intensify; between mid-March and early May, more than 1.5 million unemployment claims were filed in the state, with the service sectors hit the hardest. Still, Austin's diverse economy is robust enough to weather the crisis, at least in the short term.

Multifamily sales this year through April totaled \$363 million, with a per-unit price that inched up 1.1% to \$147,934, while the U.S. per-unit averages slid 3.7% to \$162,169. Meanwhile, developers delivered 3,857 units and had another 26,000 underway. We expect delays and investor appetite to affect transactions and deliveries in upcoming months.

Market Analysis | Spring 2020

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Recent Austin Transactions

Enclave at La Frontera



City: Round Rock, Texas
Buyer: The Lynd Co.
Purchase Price: \$60 MM
Price per Unit: \$146,350

Lakeside at La Frontera



City: Round Rock, Texas
Buyer: The Lynd Co.
Purchase Price: \$54MM
Price per Unit: \$147,951

Palo Verde



City: Austin, Texas
Buyer: Steadfast Cos.
Purchase Price: \$52 MM
Price per Unit: \$175,784

Patten East



City: Austin, Texas
Buyer: Wildhorn Capital
Purchase Price: \$45 MM
Price per Unit: \$157,278