



MULTIFAMILY REPORT

Austin's Banner Year

Fall 2021

Rent Growth Decelerates Slightly

Development Slated for Decade High

Transactions Surge, PPU Marks New Peak

AUSTIN MULTIFAMILY



Robust In-Migration Bolsters Demand

A year and a half into the pandemic, Austin is strengthening its position as a hot market for investment, attracting out-of-state corporate relocations and reinforcing its high-tech hub status. Paired with robust demographic expansion, the multifamily market continued to expand, with rents rising 2.1% on a trailing three-month basis through September to \$1,620, surpassing the \$1,558 U.S. average. Meanwhile, the occupancy rate in stabilized properties increased a solid 160 basis points in the 12 months ending in August, to 95.2%.

Austin's unemployment rate improved to 3.8% in August, outperforming the 5.9% Texas rate and the 5.2% U.S. figure. In fact, the local employment market ranked first among major metros, rising 5.0% in the 12 months ending in July, double the 2.5% national rate. Austin's largest sectors—professional and business services and trade, transportation and utilities—expanded by 13.0% and 7.7%. In this context, moves such as Tesla's headquarters relocation both fuel and underpin an already decade-long trend.

Developers delivered 7,838 units in 2021 through September and had another 38,489 units under construction, with the primary focus on Lifestyle projects. Meanwhile, the transaction volume surpassed \$1.9 billion, with the price per unit climbing another 18.5% year-over-year, to \$184,701.

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Recent Austin Transactions

The Davis SoCo



City: Austin, Texas
Buyer: Kairoi Residential
Purchase Price: \$95 MM
Price per Unit: \$253,119

The Vineyard



City: Pflugerville, Texas
Buyer: Treeline Partners
Purchase Price: \$89 MM
Price per Unit: \$ 189,459

Muir Lake



City: Cedar Park, Texas
Buyer: Old Three Hundred Capital
Purchase Price: \$82 MM
Price per Unit: \$246,586

The Morgan



City: Austin, Texas
Buyer: CAF Capital Partners
Purchase Price: \$80 MM
Price per Unit: \$159,074