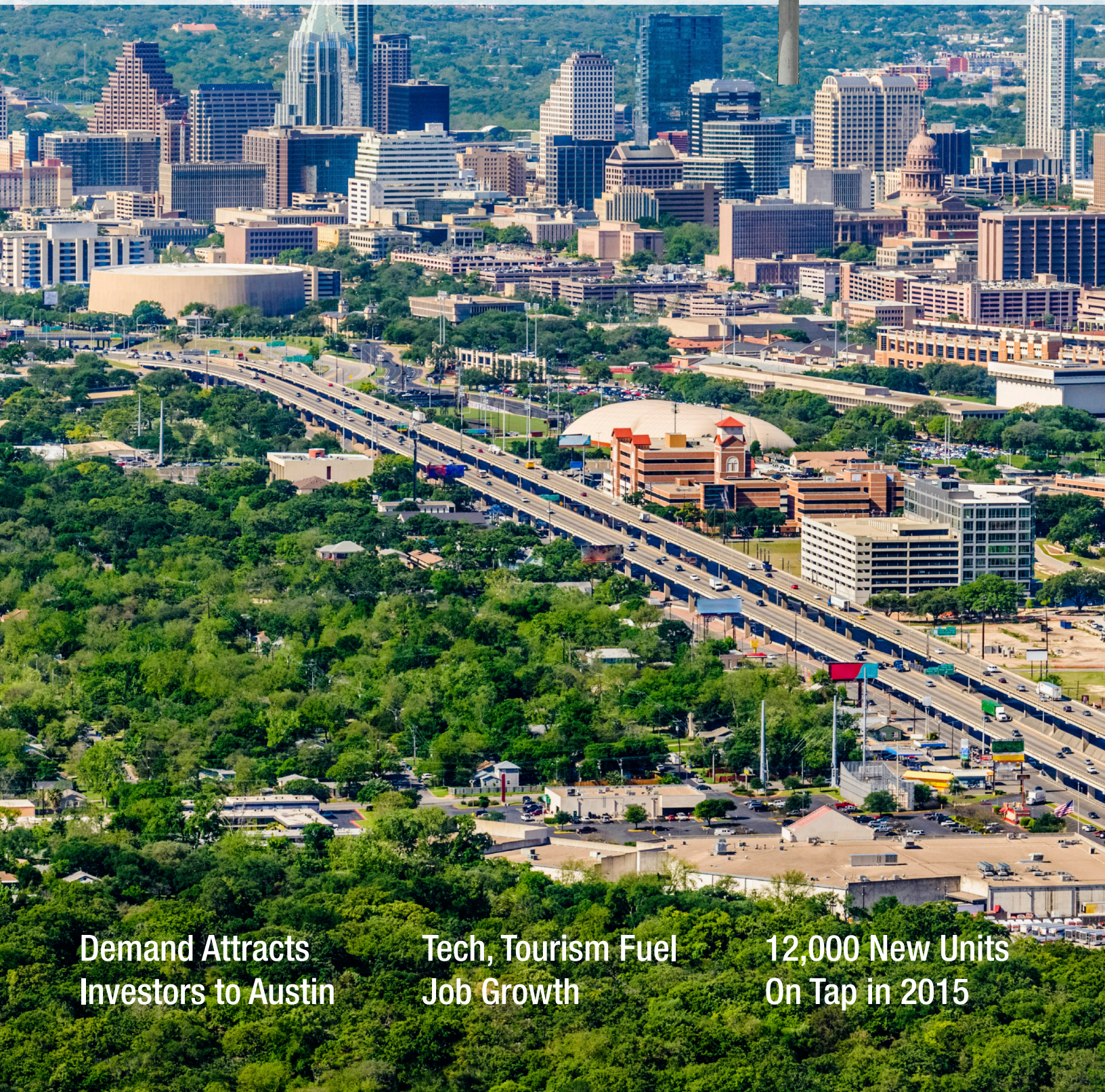


**YARDI** **M**ATRIX  
Data provided by **Pierce**-Eislen

# Multifamily Outlook

Spring 2015

**Austin**  
**CITY LIMIT**



**Demand Attracts  
Investors to Austin**

**Tech, Tourism Fuel  
Job Growth**

**12,000 New Units  
On Tap in 2015**



# AUSTIN MULTIFAMILY

**YARDIMATRIX**  
Data provided by Pierce-Eislen

## Market Analysis

Spring, 2015

### Contacts

#### Paul Fiorilla

Associate Director of Research

Paul.Fiorilla@Yardi.com

(800) 866-1124 x5764

#### Dana Seeley

Senior Research Analyst

Dana.Seeley@Yardi.com

(800) 866-1124 x2035

#### Jack Kern

Director of Research and Publications

Jack.Kern@Yardi.com

(800) 866-1124 x2444

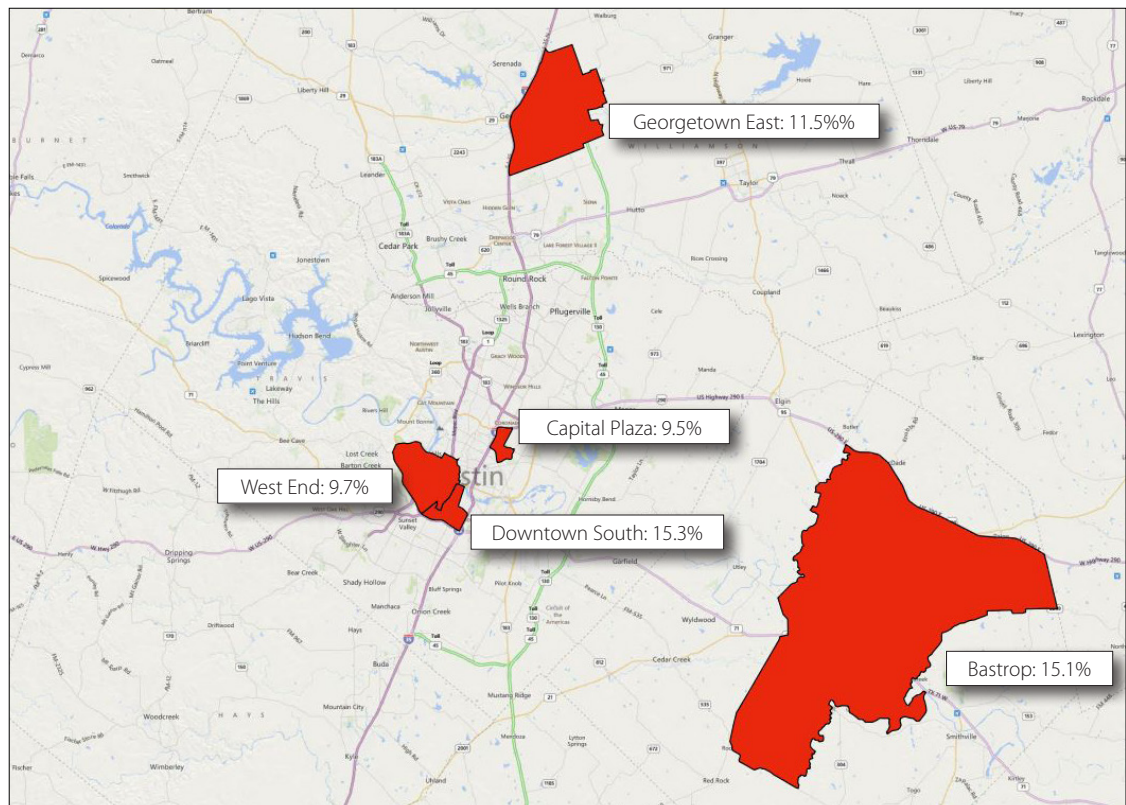
## Demand Attracts Investors to Austin

Few markets have transformed themselves relative to their peers the way Austin has in recent years. Once a small second-tier Texas market, Austin's ferocious growth has catapulted it into one of the top secondary markets in the U.S. Austin is in demand as a market to start businesses, entertain, build and invest. The metro developed into a technology mecca attracting both large corporations and start-up firms seeded by private equity capital. It's connection to the music industry and reputation for easy-going lifestyle made it a popular home for Millennials.

Given that jobs and population are the two most important drivers of multifamily demand, Austin's real estate market has fared quite well. Despite inventory rising by 37% since 2007, apartment vacancies remain low and rents have risen by more than 30% since 2010. Construction remains robust, not only in multifamily, but office and retail developments continue to sprout. The hardy growth has caught the attention of institutional investors, which historically focus on the largest core and secondary markets, but have been drawn to Austin's growth.

We expect another strong year for rent growth in Austin, at 6.5%. There are issues that could slow growth, however. One is the ongoing heavy construction pipeline, which if it continues could overstep demand. The other is the drop in oil prices. Although Austin is not an energy market, the effects could ripple to some degree through the entire Texas economy.

### Top 5 Submarkets for Rent Growth (Fall 2014 to Spring 2015<sup>1</sup>)



<sup>1</sup> YardiMatrix™ surveys over 1,000 properties in Austin, three times a year during the Spring, Summer & Fall.

On the Cover: Austin skyline image by David Sucsy/iStockphoto.com; Austin sign by metschan/iStockphoto.com