

**YARDI**® Matrix

# Cooling Rents: Austin's City Limits

Multifamily Winter Report 2017

**Rent Growth Recedes**

**Hiring Stimulates Demand**

**Affordability Hangs in the Balance**



# AUSTIN MULTIFAMILY

**YARDI**® Matrix

## Market Analysis

Winter 2017

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## Rent Appreciation Ebbs in Austin

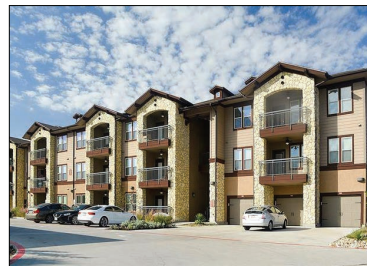
Austin's multifamily market continues to be a hotbed of activity, despite a growing sense of caution that rents and development are beginning to decelerate. Economic and population growth are creating strong demand for multifamily. Employment is also expanding, especially in technology; education and health care; trade, transportation and utilities; and construction. These sectors entice young professionals, many of whom are relocating. However, the market faces challenges, foremost affordability and supply growth.

Austin's healthy economy and friendly business climate continue to attract investment and development, as a new wave of office construction is underway in the Northwest and Southwest. The Dell Medical School at the University of Texas at Austin opened last summer, contributing 350 new jobs. Additional development is underway at the university, resulting in more health-care jobs.

Although demand remains strong—population has risen 12% since 2011—supply is a growing concern. More than 11,000 units came online in 2016, a 5.3% expansion of stock, well above the 2.5% national average. Investors have been drawn to the locale's growth prospects, turning Austin into a top secondary market. Given the metro's strong fundamentals and likely advancement, we expect rents to grow 6.9% in 2017.

## Recent Austin Transactions

Madrone



City: Austin  
Buyer: Starlight Investments  
Purchase Price: \$87 MM  
Price per Unit: \$156,438

The Catherine



City: Austin  
Buyer: Christopher Commercial  
Purchase Price: \$80 MM  
Price per Unit: \$266,666

The Davis SoCo



City: Austin  
Buyer: Sendera Investment Group  
Purchase Price: \$65 MM  
Price per Unit: \$174,488

The Preserve at Rolling Oaks



City: Austin  
Buyer: Cortland Partners  
Purchase Price: \$64 MM  
Price per Unit: \$129,555

### To Subscribe

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