

Yardi® Matrix

Demand Leads The Way in Austin

Multifamily Report Summer 2019

Rent Growth Outpaces Nation

Employment Activity Softens

Deliveries Poised for New Cycle Peak

AUSTIN MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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Job Gains Softer But Still Above Average

Although Austin has seen a downshift in employment growth, the multifamily market in the metro continues its ascent. Rent growth in Texas' capital is among the highest in the country, up 4.9% year-over-year through June to \$1,401, only \$64 below the U.S. average. While Austin is still an affordable market compared to neighboring metros, its sustained job and population growth is progressively impacting its moderate-income residents. Even so, the occupancy rate in stabilized properties rose 20 basis points year-over-year to 94.5% as of May.

Employment growth occurred across all sectors, with employers adding 25,400 jobs in the 12 months ending in May, up 2.3% and more than double the 1.6% national figure. Professional and business services led the way with the addition of 8,500 jobs, and corporate relocations and expansions in the metro indicate sustained expansion. As of June, Austin had more than 7 million square feet of office space under construction.

Some \$666 million in multifamily assets traded during the year's first half. The per-unit price rose 19.3% over 2018's average to \$160,480, surpassing the national amount for the second time this cycle. Some 3,400 units were delivered by mid-year. With 13,545 units slated for completion in 2019, a new cycle peak for deliveries is in view. We expect rents to rise 3.7% in 2019.

Recent Austin Transactions

Camden Rainey Street



City: Austin, Texas
Buyer: Camden Property Trust
Purchase Price: \$120 MM
Price per Unit: \$369,325

Bexley Round Rock



City: Round Rock, Texas
Buyer: Weinstein Properties
Purchase Price: \$56 MM
Price per Unit: \$169,697

Oaks on Marketplace



City: Kyle, Texas
Buyer: Strategic Property Investment
Purchase Price: \$36 MM
Price per Unit: \$142,126

Enclave at Water's Edge



City: Austin, Texas
Buyer: Ledic Realty Co.
Purchase Price: \$25 MM
Price per Unit: \$133,333