



MULTIFAMILY REPORT

Austin's Strong Essence

Winter 2021

Employment Performance Leads Nation

Rent Growth Rebounds Across Segments

Deliveries Burgeon, Transactions Mark New High

AUSTIN MULTIFAMILY



In-Migration Supports Economy, Rental Market

Austin continued to showcase strength in pandemic times, and real estate fundamentals remained relatively steady despite strong supply. The metro's rental market still has obstacles ahead, but is sustained by numerous corporate relocations and strong in-migration. The average rent rebounded, rising 0.1% on a trailing three-month basis through January, to \$1,367.

The metro's economy ranked first among major U.S. cities—employment contracted by only 2.8% year-over-year through November, while the national figure shrank by 7.8%. The unemployment rate stood at 5.9% in November, with preliminary December data pointing to 5.1%. Amid the health crisis, Tesla announced a multiphase facility set to open in mid-2021 and expected add 5,000 jobs, while Oracle announced the relocation of its corporate headquarters. Voters approved Project Connect, Austin's light rail system, which will alleviate traffic congestion and support the metro's expansion.

Developers delivered 12,292 units in 2020, marking the second-best year of the decade, and had another 32,637 units underway in early 2021. Transaction activity intensified following a numb second quarter and closed the year at nearly \$2.4 billion—a new peak—with the per-unit price up 10.1% to \$160,872. Investment sales took a significant step back in 2020, coming in at \$1.4 billion. That's less than half the \$3.7 billion recorded in 2019.

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Recent Austin Transactions

Residences at the Triangle



City: Austin, Texas
Buyer: Castle Lanterra Properties
Purchase Price: \$129 MM
Price per Unit: \$243,856

Retreat at Wolf Ranch



City: Georgetown, Texas
Buyer: BSR Trust
Purchase Price: \$52 MM
Price per Unit: \$170,297