



MULTIFAMILY REPORT

Austin's Tech Prowess

Summer 2021



Rent Growth Picks Up

Development Remains Elevated

Employment Among Nation's Best

AUSTIN MULTIFAMILY



Rents Improve Amid Robust Deliveries

Although not immune to the pandemic, the downturn had a milder impact on Austin's economy and multifamily market, as evident at the beginning of 2021. Strong population expansion strengthened demand, and rents rose 0.8% on a trailing three-month basis through May, to \$1,411. Despite robust deliveries, occupancy in stabilized properties was relatively mildly affected, dropping by 50 basis points in the 12 months ending in April, to 93.6%.

Unemployment slid to 4.5% in April, above the 6.1% U.S. rate, according to preliminary data from the Bureau of Labor Statistics. Employment shrunk by just 2.8% in the 12 months ending in March, outperforming the 6.9% national contraction. Six sectors gained jobs, with the metro's largest sectors, professional and business services and trade, transportation and utilities, leading with 16,500 jobs combined. Austin's business-friendly environment and talent pool continued to attract companies looking to relocate or expand—Tesla and Apple have large projects underway, and Oracle relocated its headquarters here. In addition, Samsung is considering the Texas capital for a new \$17 billion chip plant that could create 1,800 jobs.

Developers delivered 3,336 units in 2021 through May and had another 33,940 units under construction. Meanwhile, during the first five months of 2021, transaction activity totaled \$577 million, and the per-unit price continued to rise, up by 6.4% to \$160,058.

Market Analysis | Summer 2021

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Recent Austin Transactions

James on South First



City: Austin, Texas
Buyer: Housing Authority of the
City of Austin
Purchase Price: \$54 MM
Price per Unit: \$215,392

The Saint Mary



City: Austin, Texas
Buyer: Velocis
Purchase Price: \$53 MM
Price per Unit: \$221,111