



MULTIFAMILY REPORT

Austin: Expansion Mode

July 2022

Development Remains Elevated

Investment Softens, PPU Continues Climb

YoY Rent Growth Outperforms US Average

AUSTIN MULTIFAMILY



Texas Capital Maintains Momentum

Austin's eclectic status has been a magnet for residents and companies throughout the last decade. The metro's population expanded by more than 28% during this time, creating substantial housing demand, fueling a trend that has accelerated in the past couple of years. Following a brief seasonal softening, rents picked up again and rose 0.8% on a trailing three-month basis through May, to \$1,744, maintaining the lead over the U.S. rate, which reached \$1,680. Moreover, occupancy in stabilized properties climbed 130 basis points in the 12 months ending in April, to 95.7%.

Austin has moved beyond the recovery phase and entered expansion mode. Unemployment reached pre-pandemic levels, clocking in at 2.5% in April, ahead of the nation (3.6%) and the state (4.3%), as well as Dallas-Fort Worth (3.2%) and Houston (4.1%). The job market expanded by 8.9%, or 95,600 jobs, in the 12 months ending in March, with only one sector, government, contracting (-1,400). The metro's robust tech presence was one of the main catalysts during this time. Professional and business services (29,500 positions) led growth, followed by leisure and hospitality (21,600).

Development remained elevated, reflecting one of the country's busiest pipelines, with 42,118 units underway and 2,853 units delivered in 2022 as of May. Meanwhile, investors turned cautious with just \$698 million in assets traded in the first five months of the year. The price per unit continued to increase, however, up 24.2% to \$216,657.

Market Analysis | July 2022

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Recent Austin Transactions

Tides on Copper Creek



City: Austin, Texas
Buyer: Tides Equities
Purchase Price: \$137 MM
Price per Unit: \$253,851

Edison Riverside



City: Austin, Texas
Buyer: The Connor Group
Purchase Price: \$102 MM
Price per Unit: \$287,194

Pioneer Hill



City: Austin, Texas
Buyer: Conti Organization
Purchase Price: \$70 MM
Price per Unit: \$234,000

Arboretum Oaks



City: Austin, Texas
Buyer: Embrey Partners
Purchase Price: \$69 MM
Price per Unit: \$273,695