



MULTIFAMILY REPORT

Austin Pushes On

July 2023

Job Gains Top Other Major Metros

Short-Term Rent Growth Rebounds

Development Activity Breaks Records

AUSTIN MULTIFAMILY



Rent Growth Inches Up, Occupancy Lags

Multifamily fundamentals are improving in Austin, sustained by one of the strongest economic expansions in the U.S. and robust in-migration. Rents grew, albeit slowly, after eight consecutive months in negative territory, up 0.1% on a trailing three-month basis through May, 20 basis points behind the U.S. rate. At \$1,717, the average rent in the Texas capital was virtually on par with the U.S. figure (\$1,716). Occupancy was down 120 basis points year-over-year in April, to 94.0%.

Austin unemployment stood at 3.1% in April, outperforming the state (4.0%), the U.S. (3.4%) and all other major Texas metros. Employment growth posted the fastest pace among the country's top 30 markets tracked by Yardi Matrix, up 6.0%, or 64,300 jobs, in the 12 months ending in March, double the U.S. rate. Leisure and hospitality and professional and business services added the most new positions, totaling a combined 37,200. Both sectors are poised for sustained growth, as officials are discussing a \$1.6 billion redevelopment of the metro's downtown convention center, while the office sector continues to expand, with 7.6 million square feet underway.

Developers delivered 3,365 units in 2023 through May and had another 60,450 units under construction, accounting for the country's largest pipeline. This volume of growth is particularly impressive because Austin is not one of the country's top 20 metros by population.

Market Analysis | July 2023

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

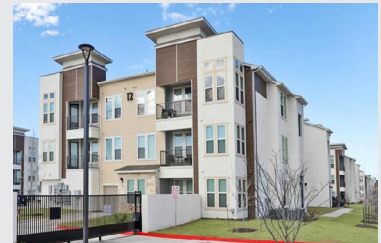
Recent Austin Transactions

Bridge at Henley



City: Austin, Texas
Buyer: Housing Authority of the
City of Austin
Purchase Price: \$106 MM
Price per Unit: \$287,928

The Dalton



City: Pflugerville, Texas
Buyer: TerraCap Management
Purchase Price: \$85 MM
Price per Unit: \$243,810

Bridge at Indigo



City: Austin, Texas
Buyer: Belveron Partners
Purchase Price: \$80 MM
Price per Unit: \$246,773

Park at Crestview



City: Austin, Texas
Buyer: Nord Group
Purchase Price: \$56 MM
Price per Unit: \$225,946