

Yardi® Matrix

Thriving Economy Fuels Austin

Multifamily Report Spring 2018

Hiring Outpaces Nation

Increasing Supply Pressures Occupancy

Tepid Rent Growth Likely to Improve

AUSTIN MULTIFAMILY

Yardi® Matrix

Market Analysis

Spring 2018

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Healthy Demographics Push Up Demand

Austin remains one of the most coveted real estate markets in the nation. Further strengthening housing demand, the metro's population is expected to grow by 2.8% in 2018. After several months of contraction, rents have stabilized, inching up 0.1% year over year through February to an average of \$1,282, roughly \$80 behind the national average. Despite experiencing delays, construction activity is strong, bringing the average occupancy rate down to 94.1% as of January, down 40 basis points in 12 months.

Although the metro faces affordability and transportation issues, its status as one of the most green cities in the U.S. has maintained Austin's popularity as a destination with extensive outdoor recreation options. As a result, the city's leisure and hospitality sector is thriving: The segment added 6,500 jobs in 2017, boosted by the 1,048-key Fairmont Austin, which is the hotelier's largest location in the country. In January, Oracle began its relocation to a new 40-acre campus southeast of downtown, which will accommodate as many as 3,000 employees.

Transaction volume reached \$102 million by February 2018, fueled by investors seeking value-add opportunities. Some 1,700 units came online as of February, with another 19,300 underway, 12,800 of which are slated for completion in 2018. By year-end, we expect rents to rise by 1.6%.

Recent Austin Transactions

State House on Congress



City: Austin, Texas
Buyer: Turnbridge Equities
Purchase Price: \$121 MM
Price per Unit: \$421,324

The Landing at Round Rock



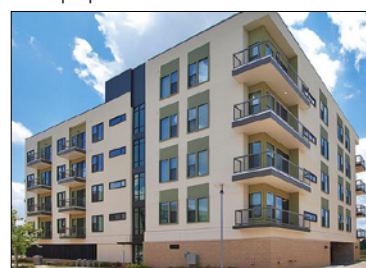
City: Round Rock, Texas
Buyer: LivCor
Purchase Price: \$93 MM
Price per Unit: \$159,634

Sur 512



City: Austin, Texas
Buyer: Cypress Real Estate Advisors
Purchase Price: \$64 MM
Price per Unit: \$181,686

Marq Uptown



City: Austin, Texas
Buyer: CWS Capital Partners
Purchase Price: \$51 MM
Price per Unit: \$189,808