



MULTIFAMILY REPORT

Austin Presses On

November 2023

Short-Term Rent Gains Remain Negative

Sales Volume Down, Still Above \$1B

Development Activity Stays Strong

AUSTIN MULTIFAMILY



Robust Supply Impacts Rents and Occupancy

Austin rents entered their third consecutive month in negative territory, as the market continues to see rates moderate. Rents across the metro were down 0.7% on a trailing three-month basis, as of September. Meanwhile, the U.S. figure also went into negative territory, at -0.1%. On an annual basis, however, Austin rates were still up 0.5%, even with headwinds created by robust incoming stock.

As of July, the metro's unemployment rate stood at 3.8%, according to data from the Bureau of Labor Statistics. The figure was ahead of the Texas average (4.1%) as well as other metros in the state, such as Houston (4.8%), San Antonio (4.2%) and Dallas-Fort Worth (4.1%). Austin's job market expanded 4.3%, or 39,500 positions, in the 12 months ending in July. Only the information sector recorded losses. According to the *Austin American-Statesman*, Accenture, an Irish-American professional services company plans to cut 350 jobs in Austin, marking the third time this year that the corporation has contracted its Central Texas workforce.

The supply wave has not abated and in the first nine months of the year, 7,346 units came online across Austin. Developers had 61,051 units under construction, while more than 100,500 units were in the planning and permitting stages. Through September, Austin saw \$1.3 billion in multifamily transactions, a significant drop compared to the same period in 2022.

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Recent Austin Transactions

The Warner



City: Round Rock, Texas
Buyer: Harbor Group International
Purchase Price: \$66 MM
Price per Unit: \$197,627

Villas Tech Ridge



City: Pflugerville, Texas
Buyer: Pegasus Real Estate
Purchase Price: \$58 MM
Price per Unit: \$166,152

Treehouse



City: Austin, Texas
Buyers: Disrupt Equity, Open Door Capital
Purchase Price: \$49 MM
Price per Unit: \$164,852

Parkview Terraces



City: Austin, Texas
Buyer: Strategic Property Investment
Purchase Price: \$47 MM
Price per Unit: \$70,257