

Yardi® Matrix

Austin Closing In On Its City Limit

Multifamily Report Summer 2018

Transaction Activity Softens

Multifamily Construction Remains Elevated

Professional, Business Services Lead Job Gains

AUSTIN MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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Construction Surge Hinders Rent Growth

Austin's multifamily market showed its resilience in the first half of 2018, coping with issues such as a lack of affordability and continued supply growth, pushing the occupancy rate in stabilized assets to 93.7% as of April, down 100 basis points in 12 months. Despite these headwinds, rent growth stayed positive, up 1.3% year-over-year through June to \$1,323. Demand for housing remains consistent, supported by an expanding population and robust job growth, up 3.5%, more than double the U.S. average.

Employment gains were diversified, occurring across all industries except the public sector. Austin added 36,300 jobs year-over-year through April, supported primarily by professional and business services, up by 12,600 positions, as several tech giants including Oracle, Apple and Amazon have begun filling their recently opened outposts in the metro. With roughly 3.8 million square feet of office space underway, Austin will continue to attract the tech industry. Trade, transportation and utilities (8,200 jobs) and leisure and hospitality (7,900) round out the metro's top three most active sectors.

Transaction activity softened, with an investment volume of \$502 million in the first half of 2018, about a third of last year's total sales. With deliveries anticipated to cross the 12,000-unit mark by year-end, we expect rents to rise by 1.0% in 2018.

Recent Austin Transactions

The Emerson



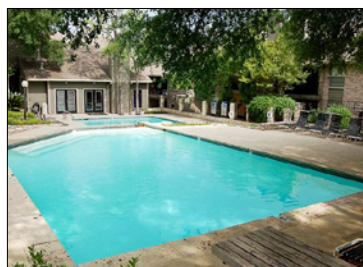
City: Pflugerville, Texas
Buyer: QVT Mount Auburn Capital
Purchase Price: \$52 MM
Price per Unit: \$135,417

Lakeshore Pearl



City: Austin, Texas
Buyer: Cypress Real Estate Advisors
Purchase Price: \$52MM
Price per Unit: \$223,913

Mission Grace Woods



City: Austin, Texas
Buyer: InterCapital Partners
Purchase Price: \$47 MM
Price per Unit: \$108,527

Landmark at Barton Creek



City: Austin, Texas
Buyer: Magnolia Capital
Purchase Price: \$43 MM
Price per Unit: \$143,217