

Yardi® Matrix

Austin: The Small Metro That Could

Multifamily Report Fall 2018

Employment Growth Outpaces Nation

Construction Surges Across the Metro

Demand Keeps Up With Supply

AUSTIN MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2018

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Job Growth Moderates Stock Surge

The smallest of the state's top four metros, Austin is one of the fastest-growing cities in the country, thanks to its low cost of living, top-notch talent, diverse and growing population and high quality of life. Rent growth, softened by recent deliveries, is picking up again, at 2.4% year-over-year through August, to \$1,339. There are signs of healthy demand, despite a 20-basis-point decrease in occupancy rates year-over-year.

Employment growth has been diverse and above U.S. trends, up 3.5% year-over-year through June. Austin added 35,700 jobs in the 12 months ending in June, with professional and business services leading the way—up by 11,600 jobs. The trade, transportation and utilities sector is expected to grow as well, thanks to the airport expansion scheduled to open early next year. Austin's many festivals and pro-business climate are propping up improvement in the leisure and hospitality sector.

More than 7,000 units were delivered by August, half of them coming online during the summer months, while some 6,500 units were slated for completion by year-end. Nearly \$657 million in multifamily properties traded in the metro by July, with the per-unit price sliding to \$129,719, trailing the \$147,630 national average. Yardi Matrix expects rents to rise 1.0% in 2018.

Recent Austin Transactions

Ocotillo



City: Austin, Texas
Buyer: Price Realty
Purchase Price: \$52 MM
Price per Unit: \$170,130

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: \$52 MM
Price per Unit: \$223,913

Mission Grace Woods



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