

Yardi® Matrix

Austin's Appeal

Multifamily Report Winter 2019/I

Rent Growth Picks Up

Job Gains Outpace Nation

Development Boom Continues

AUSTIN MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2019/I

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Demand Meets Completions

Technology companies from major U.S. hubs are attracted to Austin's lower cost of living and doing business, as well as its strong pool of highly skilled professionals. Rent growth, which had flattened around mid-year, has picked up steam again, up 3.4% year-over-year through October, to an average of \$1,347. Despite substantial new deliveries, demand remains strong, boosting the occupancy rate by 70 basis points year-over-year.

Employment growth has been consistent, floating above the 3.0% mark all year long and clocking in at 3.4% year-over-year through September, well above the 2.0% national rate. Austin added 40,000 jobs in the year ending in September, with all but two sectors expanding. Tech jobs abound, as 12 of the 25 biggest employers in Austin operate in the technology sector. The metro's problematic infrastructure is up for improvement, as a \$160 million bond has passed—the measure is not only meant to rebuild streets, sidewalks and the bridge over Lady Bird Lake but will also build on the expansion of the transportation sector, which added 10,100 jobs in 2018.

Nearly 9,000 units were delivered through October, with about three-quarters of them upscale. The pipeline consists of some 19,900 units underway, as further stock expansion is looming. Some \$886 million in multifamily assets traded by October, with the per-unit price at \$137,111.

Recent Austin Transactions

Signature 1909



City: Austin, Texas
Buyer: The Preiss Co.
Purchase Price: \$55 MM
Price per Unit: \$331,325

English Aire



City: Austin, Texas
Buyer: Lion Real Estate Group
Purchase Price: \$43 MM
Price per Unit: \$183,119

Farmhouse



City: Austin, Texas
Buyer: The Ergas Group
Purchase Price: \$34 MM
Price per Unit: \$144,675

Preserve Wells Branch



City: Austin, Texas
Buyer: Housing Authority of Austin
Purchase Price: \$32 MM
Price per Unit: \$102,727