

Yardi® Matrix

Austin's Unfazed Growth

Multifamily Report Spring 2019

Demand Propels Rent Growth

Construction Surge Continues

Job Growth Outpaces Nation

AUSTIN MULTIFAMILY

Yardi® Matrix

Market Analysis

Spring 2019

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Solid Economy Draws Long-Term Investors

Austin's multifamily market had another strong year in 2018, with rent growth extending beyond expectations. Despite robust deliveries, rents rose another 4.5% year-over-year through February, to \$1,353. Developers have had a hard time keeping up with demand, reflected in the occupancy rate in stabilized properties, which actually rose 60 basis points year-over-year through January.

Employment growth occurred across all sectors, with Austin adding 36,800 jobs in 2018, up 3.5% year-over-year. Trade, transportation and utilities led growth, having generated 11,200 jobs, while the professional and business services sector added 6,100 jobs and is poised to maintain its evolution as technology companies have announced expansions in the metro. Among them is Apple's \$1 billion, 133-acre development that's slated to house 15,000 employees once fully operational, as well as WeWork's rumored \$1 billion mixed-use development that's likely to encompass 3 million square feet of office, residential, hotel, shops and restaurant space.

Nearly 11,000 units came online in 2018, favoring the Lifestyle segment. More than 20,500 units, with most targeting the same upscale segment, were underway as of February. Last year's sales volume saw a 13.3% drop to \$1.3 billion, for an average per-unit price of \$131,555.

Recent Austin Transactions

10X Living at Grandview



City: Austin, Texas
Buyer: Cardone Enterprises
Purchase Price: \$81 MM
Price per Unit: \$176,716

Bartz Ranch



City: Round Rock, Texas
Buyer: FSC Realty
Purchase Price: \$41 MM
Price per Unit: \$137,649

Radius on Grove



City: Austin, Texas
Buyer: Hilltop Residential
Purchase Price: \$27 MM
Price per Unit: \$171,222

Paradise Oaks



City: Austin, Texas
Buyer: Fairfield Residential
Purchase Price: \$32 MM
Price per Unit: \$128,022