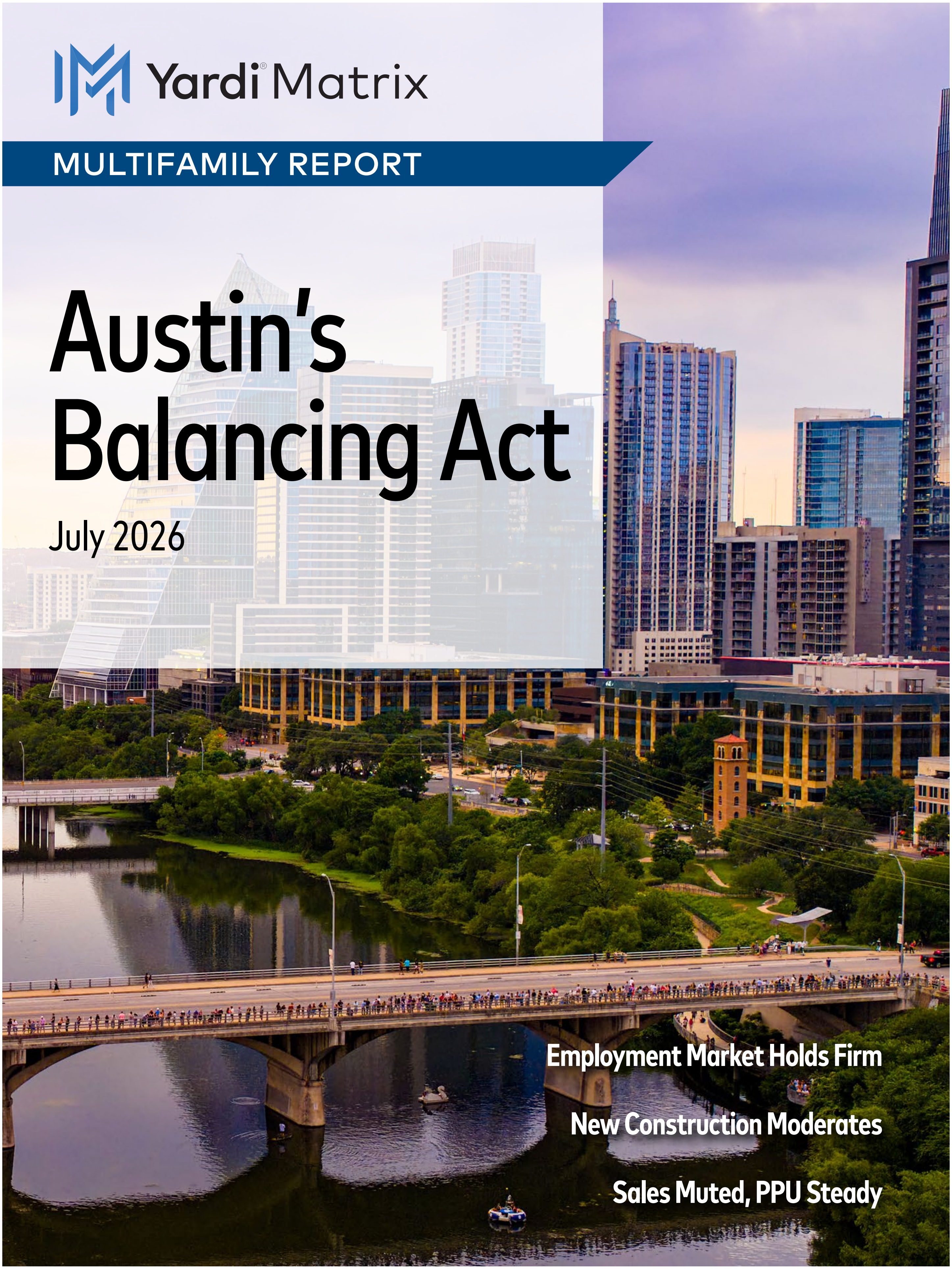
Yardi Matrix

MULTIFAMILY REPORT

Austin's Balancing Act

July 2026



Employment Market Holds Firm

New Construction Moderates

Sales Muted, PPU Steady

AUSTIN MULTIFAMILY

Yardi Matrix

Short-Term Gain, Long-Term Drag

Austin's fundamentals remained under pressure, even as rents regained some momentum during the leasing season. Advertised asking rents rose 0.4%, on a trailing three-month basis through May to $1,508, slightly ahead of the 0.3% U.S. increase to $1,767. Meanwhile, the metro's year-over-year rates were down 3.7% , while the national average rose 0.2%. The occupancy rate in stabilized properties fell 90 basis points year-over-year, to 91.8% in April.

Austin's employment growth moderated to 1.3% year-over-year through February, the second-highest rate among Yardi Matrix's top 30 metros and well above the U.S. average. Unemployment stood at 3.4% in April, below the 4.3% Texas and U.S. averages, while the metro added 13,700 net jobs in the 12 months ending in February, led by professional and business services and mining, logging and construction. Notable CRE demand drivers include Waterline's 1.5 million-square-foot downtown tower and Austin-Bergstrom International Airport's terminal expansion.

Supply pressure remained elevated, but the pipeline is thinning. Austin delivered 4,459 units through May, with 21,224 units underway and construction starts declining sharply. Investment activity stayed subdued, with multifamily sales totaling $444 million through May. The average price per unit showed signs of stabilizing, inching up 0.1% year-over-year to $176,210, while the U.S. average declined 7.6% to $185,821.

Market Analysis | July 2026

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Recent Austin Transactions

Emerson at Wells Branch

City: Pflugerville, Texas
Buyer: Hamilton Point Investments
Purchase Price: $100 MM
Price per Unit: $284,091

Bridge at River Place

City: Austin, Texas
Buyer: Austin Affordable Housing Corp.
Purchase Price: $96 MM
Price per Unit: $192,686

Bridge at The Blockyard

City: Austin, Texas
Buyer: CWS Capital Partners
Purchase Price: $89 MM
Price per Unit: $259,496

Copper Mill

City: Austin, Texas
Buyer: Nitya Capital
Purchase Price: $44 MM
Price per Unit: $137,667

RENT TRENDS

- Austin advertised asking rents rose 0.4%, on a trailing three-month basis through May to $1,508, while the U.S. average increased 0.3% to $1,767. In the middle of the leasing season and with new supply pressures moderating, the metro's rent growth rebounded. Still, on a year-over-year basis, Austin was the weakest performer among Yardi Matrix's top 30 metros, down 3.7%, while the national average rose 0.2%.

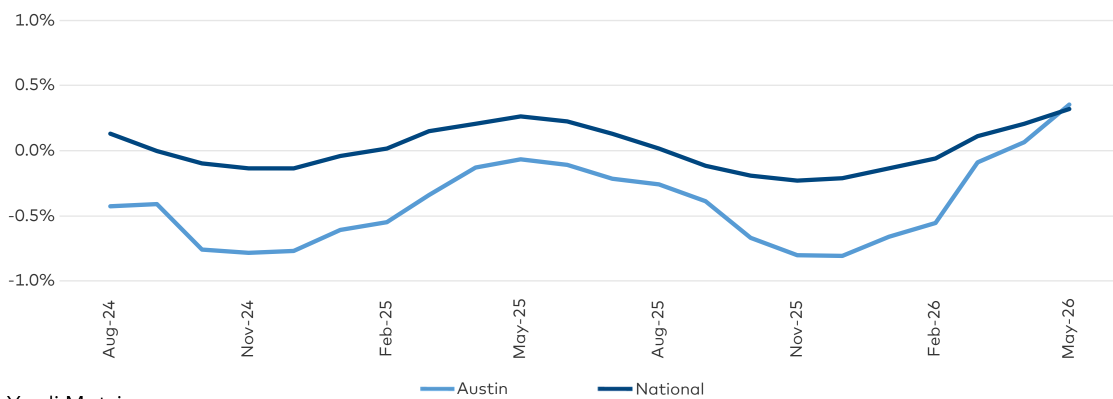
- Lifestyle advertised asking rents led the recovery, up 0.4%, on a T3 basis through May, to $1,620, outperforming the Renter-by-Necessity segment since December 2024. Meanwhile, RBN rents inched up 0.1% to $1,175, recording the first increase in more than 24 months.

- Austin's occupancy rate in stabilized properties was also among the lowest in Yardi Matrix's top 30 metros, at 91.8% in April, following a 90-basis-point year-over-year drop. RBN led the decline, down 130 basis points to 89.4%, while Lifestyle occupancy decreased 80 basis points to 92.5%.

- Only six of the 44 submarkets tracked by Yardi Matrix recorded year-over-year gains in advertised asking rents, including Berkman Drive (7.7% to $1,418), Dripping Springs (5.3% to $1,895) and IBM Area (1.1% to $1,668). Rents declined in the metro's three priciest submarkets: Downtown—North (-0.5% to $2,856), the West End (-1.9% tp $2,128) and Pershing (-0.1% to $2,027).

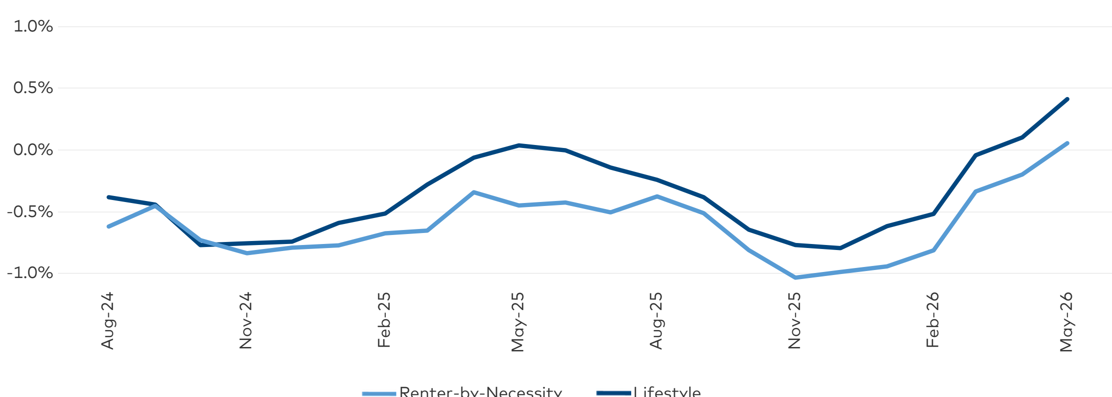
- SFR performance was mixed, with rent growth down 3.4% year-over-year to $2,171 in May, while occupancy increased 1.6% to 94.0% in April.

Austin vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Austin Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Austin's employment growth moderated to 1.3% year-over-year through February, the second-strongest among Yardi Matrix's top 30 metros and well above the national rate, which slipped 0.1%. The metro's unemployment rate stood at 3.4% in April, below the 4.3% Texas and U.S. averages, according to preliminary data from the Bureau of Labor Statistics.

- Austin added 13,700 net jobs in the 12 months ending in February, with all but two of 10 sectors expanding. Professional and business services led gains with 4,900 jobs, followed by mining, logging and construction (4,700), financial activities (2,800) and education and health services (2,000). Losses were limited to information (-1,700) and manufacturing (-1,500).

- Notable CRE drivers include Waterline, the 74-story, 1.5 million-square-foot downtown tower set to open in 2026 with 703,000 square feet of office space and a 251-key 1 Hotel. Austin-Bergstrom International Airport is advancing near-term terminal work, including the 84,500-square-foot West Gate expansion and 75,000-square-foot West Infill project, while Southwest Airline's new crew base is expected to add 2,000 jobs by 2027. In Bastrop, SpaceX's $280 million semiconductor R&D and advanced-packaging expansion is expected to add roughly 1 million square feet and 400 jobs, with production expected to start by the end of 2026.

Austin Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
60	Professional and Business Services	285.9	20.3%
15	Mining, Logging and Construction	95.1	6.8%
55	Financial Activities	91.1	6.5%
65	Education and Health Services	170.1	12.1%
90	Government	214,1	15.2%
80	Other Services	54.2	3.9%
70	Leisure and Hospitality	149.8	10.6%
40	Trade, Transportation and Utilities	212.5	15.1%
30	Manufacturing	85	6.0%
50	Information	48.9	3.5%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Austin's population rose 14.8% between 2020 and 2025, outpacing the 3.1% U.S. average, according to Census Vintage 2025 data. Among the major Texas metros, Austin recorded the fastest growth, ahead of Dallas–Fort Worth (11.0%), Houston (10.6%) and San Antonio (10.0%).

Austin vs. National Population

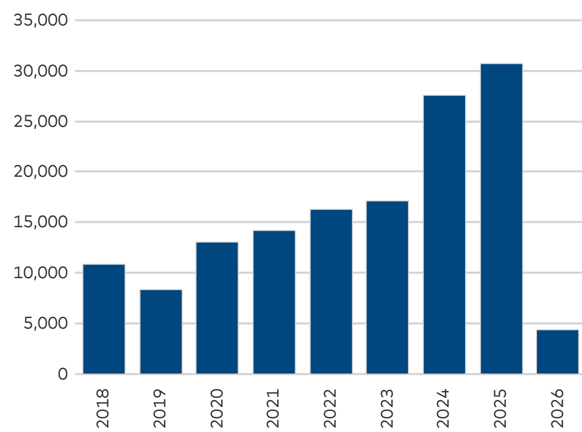
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Austin Metro	2,114,441	2,173,804	2,234,300	2,296,377

Source: U.S. Census

SUPPLY

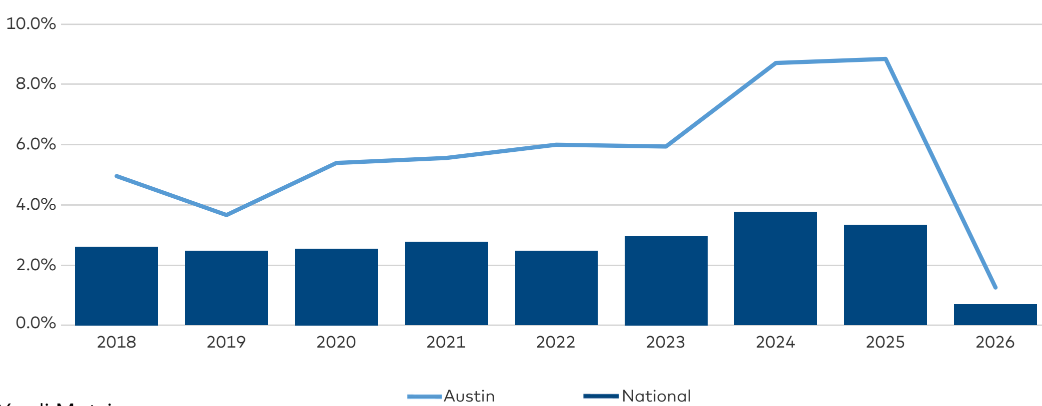
- Austin had 4,459 units, or 1.3% of existing stock, delivered in 2026 through May, and while it remained above the 0.7% U.S. average, growth moderated considerably from the 3.3% rate recorded during the same interval in 2025. Deliveries year-to-date as of May consisted of only Lifestyle (75%) and fully affordable (25%) units.
- Developers had 21,224 units underway as of May, and another 108,000 in the planning and permitting phases. Although still robust, the under-construction pipeline was 41% lower than in May 2025. Meanwhile, Lifestyle units continued to dominate the pipeline, accounting for 75% of the total, followed by fully affordable units at 22%, while RBN units accounted for a share of just 3%.
- Construction starts recorded in 2026 through May point to a softening trend—1,541 units across five properties broke ground, a 71% drop compared to the same interval in 2025.
- Developers were active in 25 of the 44 submarkets tracked by Yardi Matrix, led by a significant margin by Daffan (3,755 units). Another five had more than 1,000 units underway, led by San Marcos/Kyle (1,831), Pleasant Hill—East (1,831) and Pershing (1,547).
- Cedar Park accounted for 999 of the units delivered in Austin in 2026 through May, and also housed the largest project, a 378-unit Lifestyle property dubbed Tisdale at Lakeline Station. The mixed-use asset includes 7,184 square feet of retail space and is owned by a joint venture comprising Independence Realty Trust, American Residential Group and Sabot Development. The asset was financed with a $77 million loan originated by Commerce Bank (Kansas City, Mo.) in 2022.

Austin Completions (as of May 2026)



Source: Yardi Matrix

Austin vs. National Completions as a Percentage of Total Stock (as of May 2026)

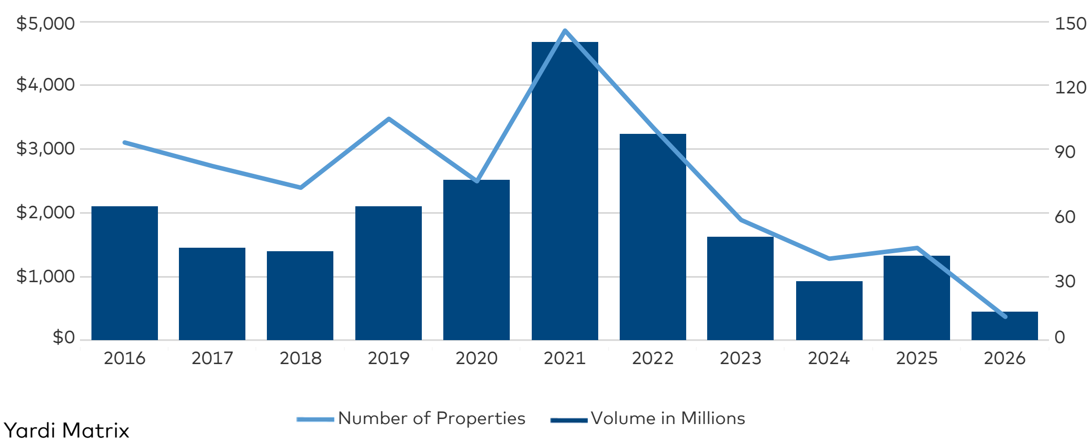


Source: Yardi Matrix

TRANSACTIONS

- Austin's transaction activity remained subdued, with multifamily asset sales in 2026 through May totaling $444 million, bringing volume over the past 12 months to $1.3 billion.
- While deal flow stayed muted, pricing proved more resilient, with Austin's average price per unit staying flat year-over-year through May, up just 0.1% to $176,210. Meanwhile, the U.S. average declined 7.6% to $185,821. The sales composition comprised 57% RBN and 43% Lifestyle assets, showing sustained interest in value-add opportunities.
- Sales volume was concentrated in a handful of larger transactions, as three deals accounted for 64.1% of the volume, including a 498-unit property in St. Edwards Park, dubbed Bridge at River Place. The Lifestyle asset was acquired by Austin Affordable Housing Corp. from LivCor, with aid from a $71 million Fannie Mae loan originated by Berkadia Commercial Mortgage.

Austin Sales Volume and Number of Properties Sold (as of May 2026)



Source: Yardi Matrix

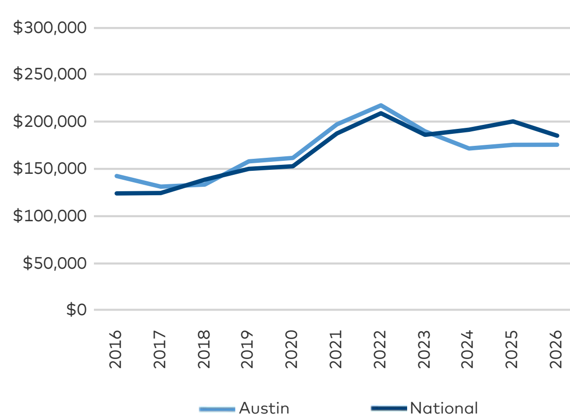
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
IBM Area	163
Round Rock—East	142
Cedar Park	112
Dessau	100
St. Edwards Park	95
San Marcos/Kyle	93
University of Texas	89

Source: Yardi Matrix

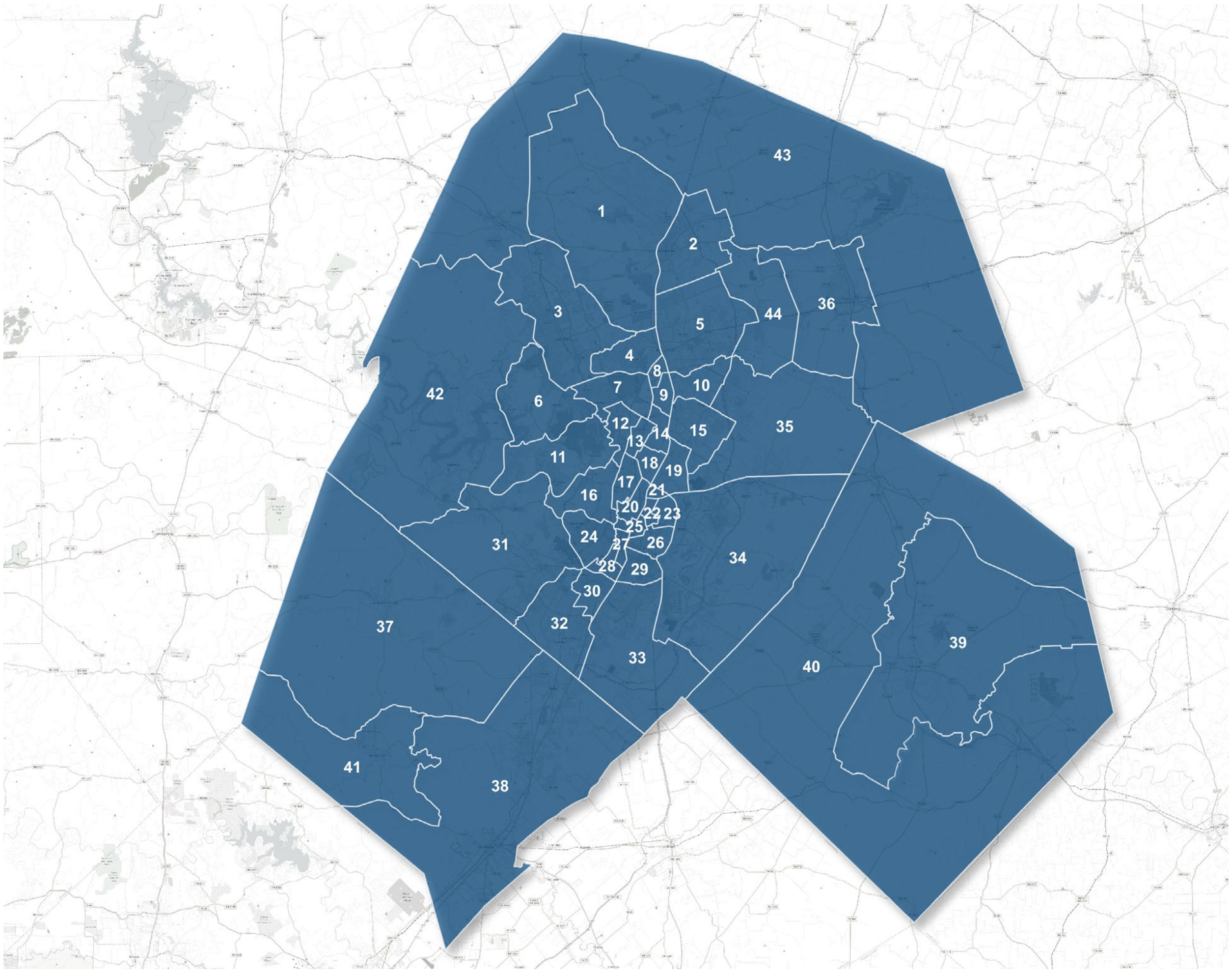
[1] From June 2025 to May 2026

Austin vs. National Sales Price per Unit



Source: Yardi Matrix

AUSTIN SUBMARKETS



Area No.	Submarket	Area No.	Submarket
1	Georgetown–West	23	Berkman Drive
2	Georgetown–East	24	West End
3	Cedar Park	25	University of Texas
4	Brushy Creek	26	Pershing
5	Round Rock–East	27	Downtown–North
6	Anderson Mill	28	Downtown–South
7	Jollyville–North	29	East Central Austin
8	Round Rock–South	30	Pleasant Hill–West
9	Wells Branch	31	Oak Hill
10	Pflugerville	32	Sunset Valley
11	St. Edwards Park	33	Pleasant Hill–East
12	Jollyville–South	34	Daffan
13	IBM Area	35	Elgin
14	Eubank Acres–North	36	Taylor
15	Dessau	37	Dripping Springs
16	Far West Blvd	38	San Marcos/Kyle
17	Abercrombie	39	Bastrop
18	Eubank Acres–South	40	Outlying Bastrop County
19	Walnut Forest	41	Woodcreek–Wimberley
20	Hyde Park	42	West Travis County
21	St. Johns Park	43	Outlying Williamson County
22	Capital Plaza	44	Hutto

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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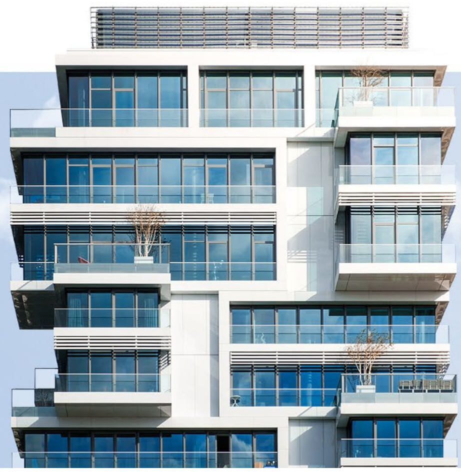
Yardi Matrix



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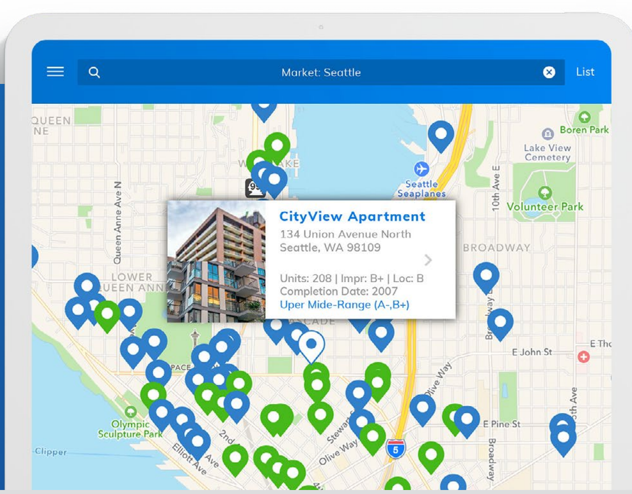
MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23.5 million units,** covering over **92% of the U.S. population.**

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