
CAPITAL MARKETS

3Q21 Austin Multifamily Market Update

NEWMARK



Market Snapshot

Austin is one of the hottest multifamily markets in the country due to its dynamic economic and population growth story.



3Q21 AUSTIN MSA MULTIFAMILY STATS

94.7%

average occupancy

\$1,572

average effective rent

\$1.83

average effective rent psf

\$219,930

average sales price per unit

2,731

new units added

6,063

new units absorbed

Source: CoStar

3Q21 ECONOMIC SNAPSHOT

	Current Level		12-Month Change	
	MSA	U.S.	MSA	U.S.
Median Household Income	87,787	74,419	5.3%	6.0%
Unemployment	4.8%	5.8%	-1.2%	-2.7%
Labor Force	1,284,127	162,862,844	2.3%	1.6%
Population	2,349,712	330,391,688	2.2%	0.2%

Source: Oxford Economics

Rent Growth

Rent growth in the Sunbelt markets continued to outperform the national average, seeing year-over-year rent increases above 15%.

Nationally, rents increased more than 10% between 1Q20 and 3Q21. More than 30 metropolitan areas, including Austin, surpassed that rate of rent growth during the same period.

Austin's 22% year-to-date rent growth is a function of strong economic fundamentals, as the Austin market reached pre-pandemic levels before the end of 2020.

Demand is the primary driver, fueled by the migration of renters from higher-priced metro areas to more affordable Sunbelt cities.

23%

estimated YOY rent growth YE 2021

10%

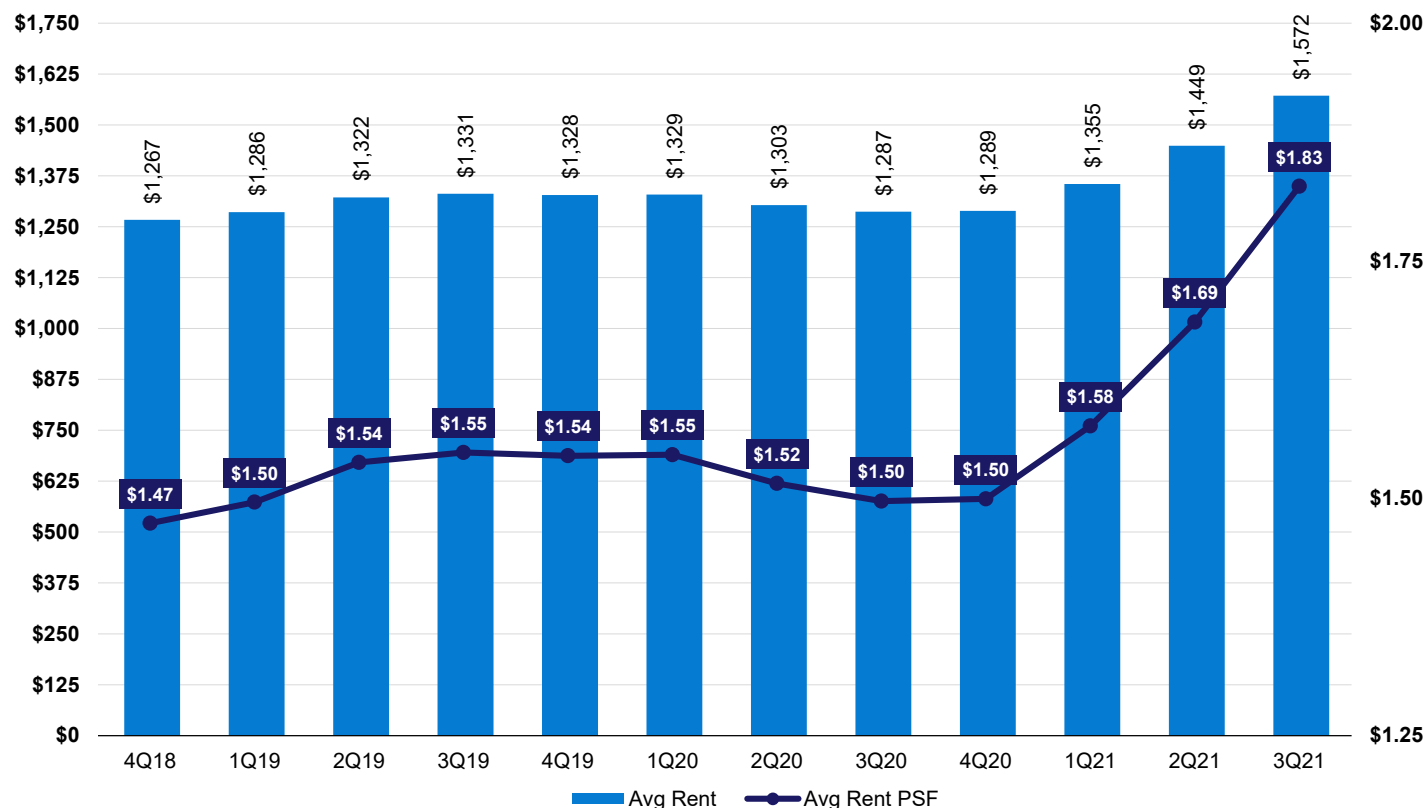
estimated YOY rent growth YE 2022



Apartment rents are now at or meaningfully above pre-pandemic prices everywhere, except the San Francisco Bay Area.

REALPAGE

HISTORICAL RENTS, QUARTERLY



Supply and Demand

2,731 new units were added to Austin's inventory during the third quarter, while 6,063 units were absorbed.

Sunbelt markets continue to drive the highest demand and garner the most attention from multifamily investors and developers, and Austin is no exception. Year-to-date, approximately 7,430 new units have been added and over 18,600 units have been absorbed.

Despite elevated supply, five-year forecasts show the market balancing, as demand is likely to remain strong due to strong economic drivers, namely continued job and population growth.

7,432

new units
added YTD

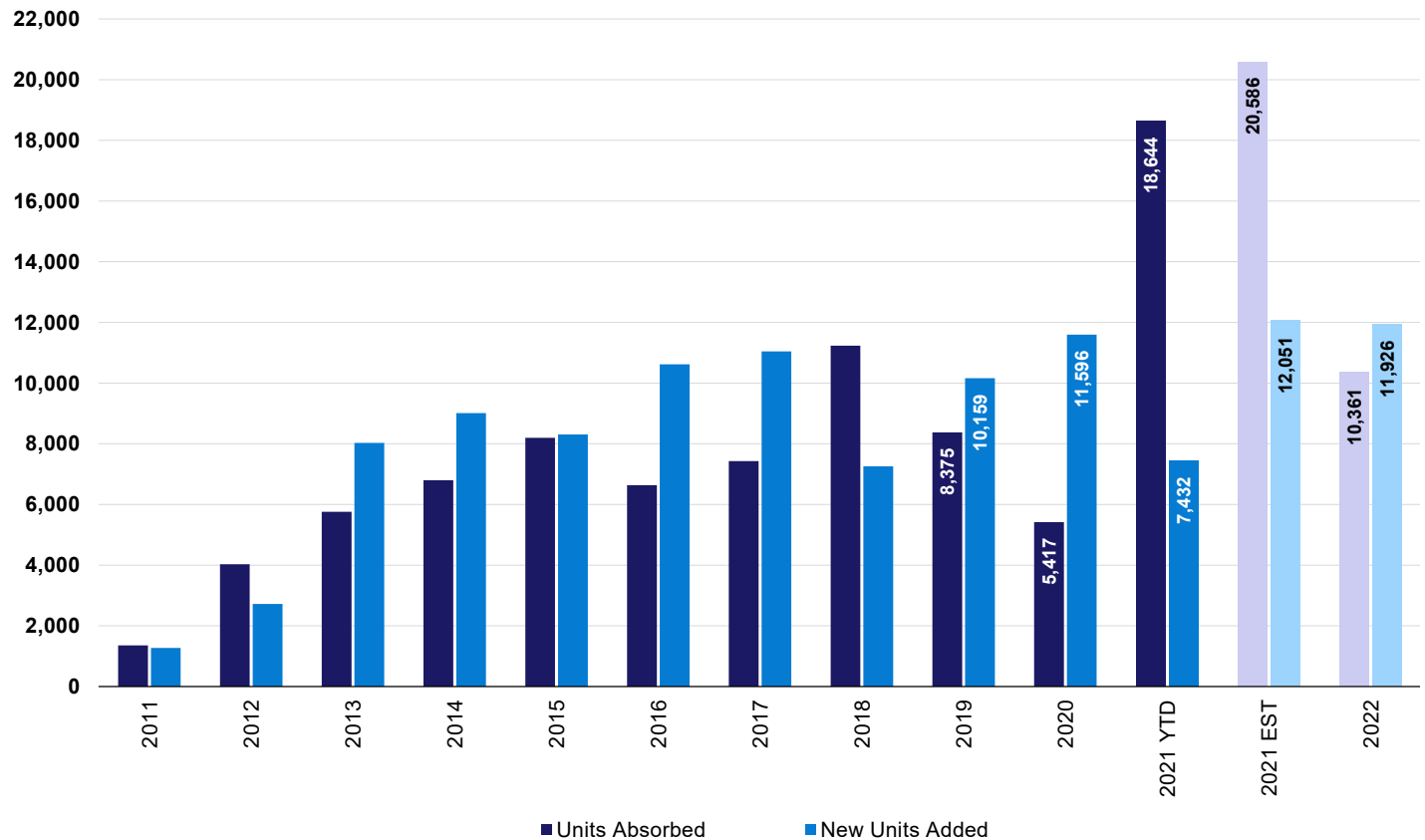
18,644

new units
absorbed YTD

9,670

average annual
deliveries (2018-2020)

SUPPLY AND DEMAND, ANNUALIZED + PROJECTION

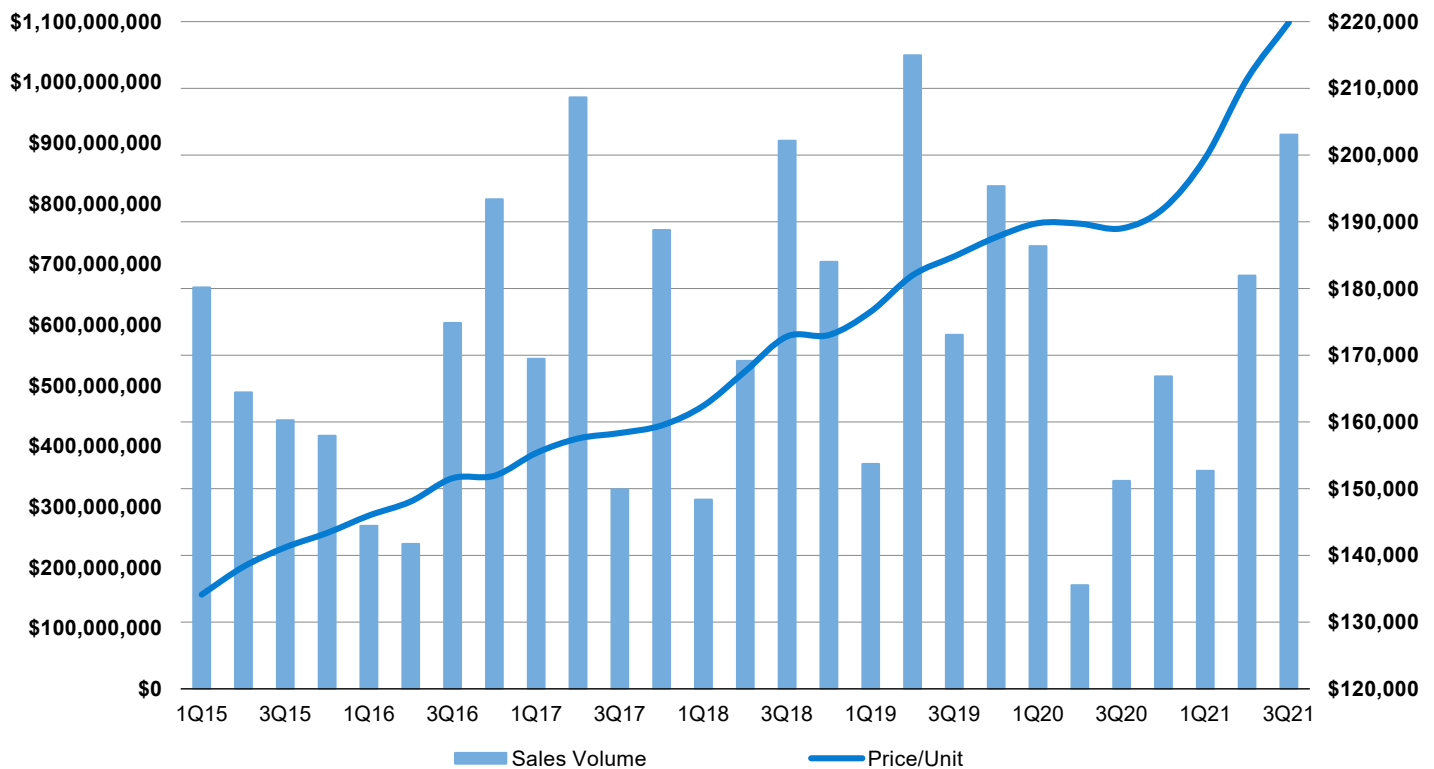


Source: CoStar

Sales Volume

Austin's multifamily sales volume during 3Q21 totaled \$913.7M, representing a 166.7% year-over-year increase.

SALES VOLUME, QUARTERLY



Source: CoStar

TRAILING 12 MONTH

	Low	Median	High
Sales Price	\$2,076,621	\$48,750,000	\$121,337,863
Price/Unit	\$81,714	\$193,047	\$495,000
Cap Rate	3.3%	3.9%	4.8%

Source: CoStar

Nationally, investment allocation to multifamily compared with the overall U.S. commercial real estate market rose to an all-time high of 36.6% in the first half of 2021.

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