

---

CAPITAL MARKETS

# 4Q21 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.



## 4Q21 AUSTIN MSA MULTIFAMILY STATS

94.1%

average occupancy

\$1,582

average effective rent

\$1.84

average effective rent psf

\$250,547

average sales price per unit

3,431

new units added

2,521

new units absorbed

Source: CoStar

## 4Q21 ECONOMIC SNAPSHOT

	Current Level		12-Month Change	
	MSA	U.S.	MSA	U.S.
<b>Median Household Income</b>	83,612	69,216	7.1%	7.1%
<b>Unemployment</b>	4.1%	5.2%	-1.0%	-1.6%
<b>Labor Force</b>	1,283,123	162,569,875	1.8%	1.2%
<b>Population</b>	2,361,433	332,585,438	2.0%	0.2%

Source: Oxford Economics

# Rent Growth

Rental rates in Austin grew roughly 22% during 2021, about double the pace seen nationally.

Nationally, rents increased more than 10% between 4Q20 and 4Q21. More than 30 metropolitan areas, including Austin, surpassed that rate of rent growth during the same period.

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

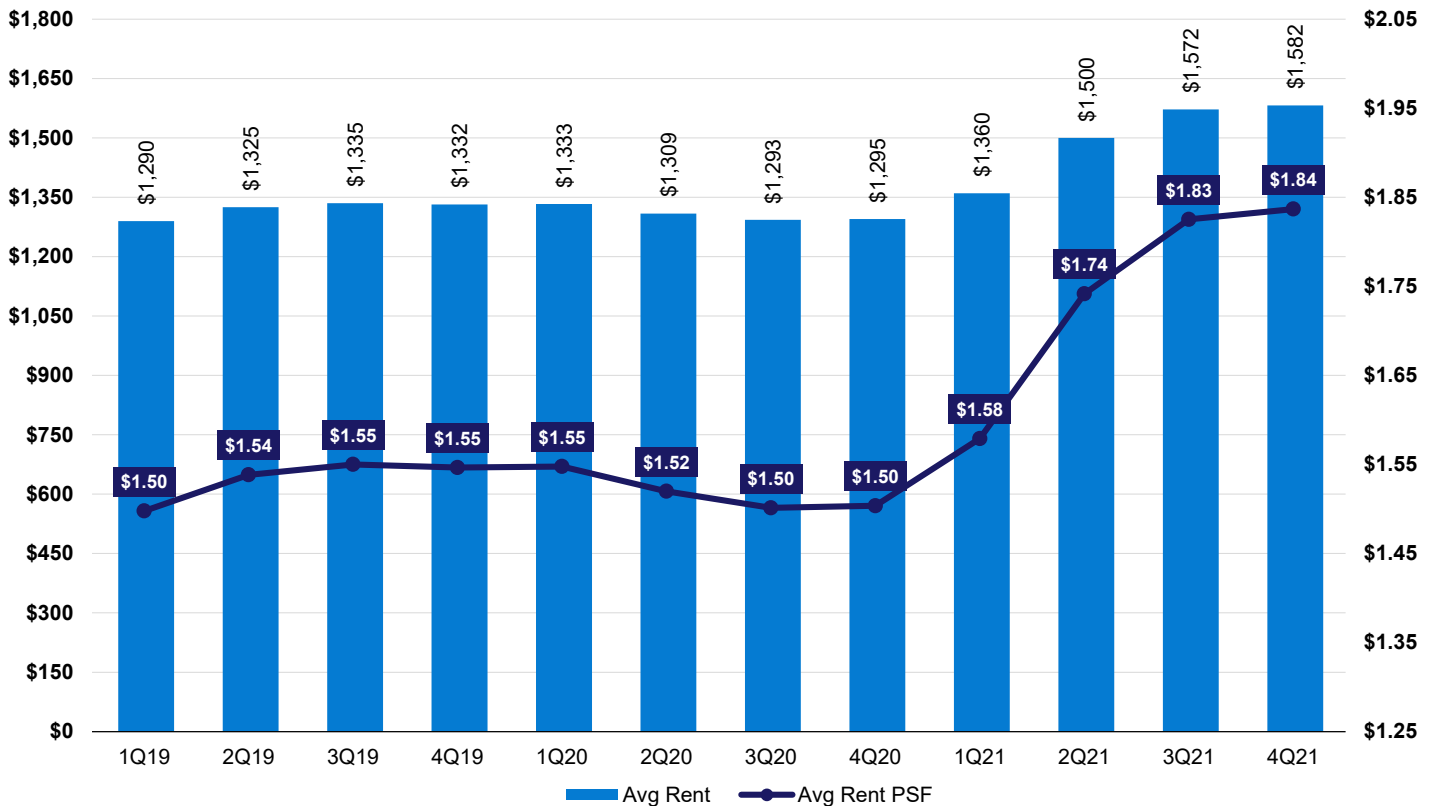
Demand is the primary driver, fueled by the migration of renters from higher-priced metro areas to more affordable Sunbelt cities.



Austin's median rental rate hit the highest level among all Texas metros during the fourth quarter.

APARTMENTDATA.COM

## HISTORICAL RENTS, QUARTERLY



Source: CoStar

# Supply and Demand

3,431 new units were added to Austin’s inventory during the fourth quarter, while 2,521 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. In 2021, approximately 10,850 new units were added and over 20,780 units were 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.

10,849

new units added in 2021

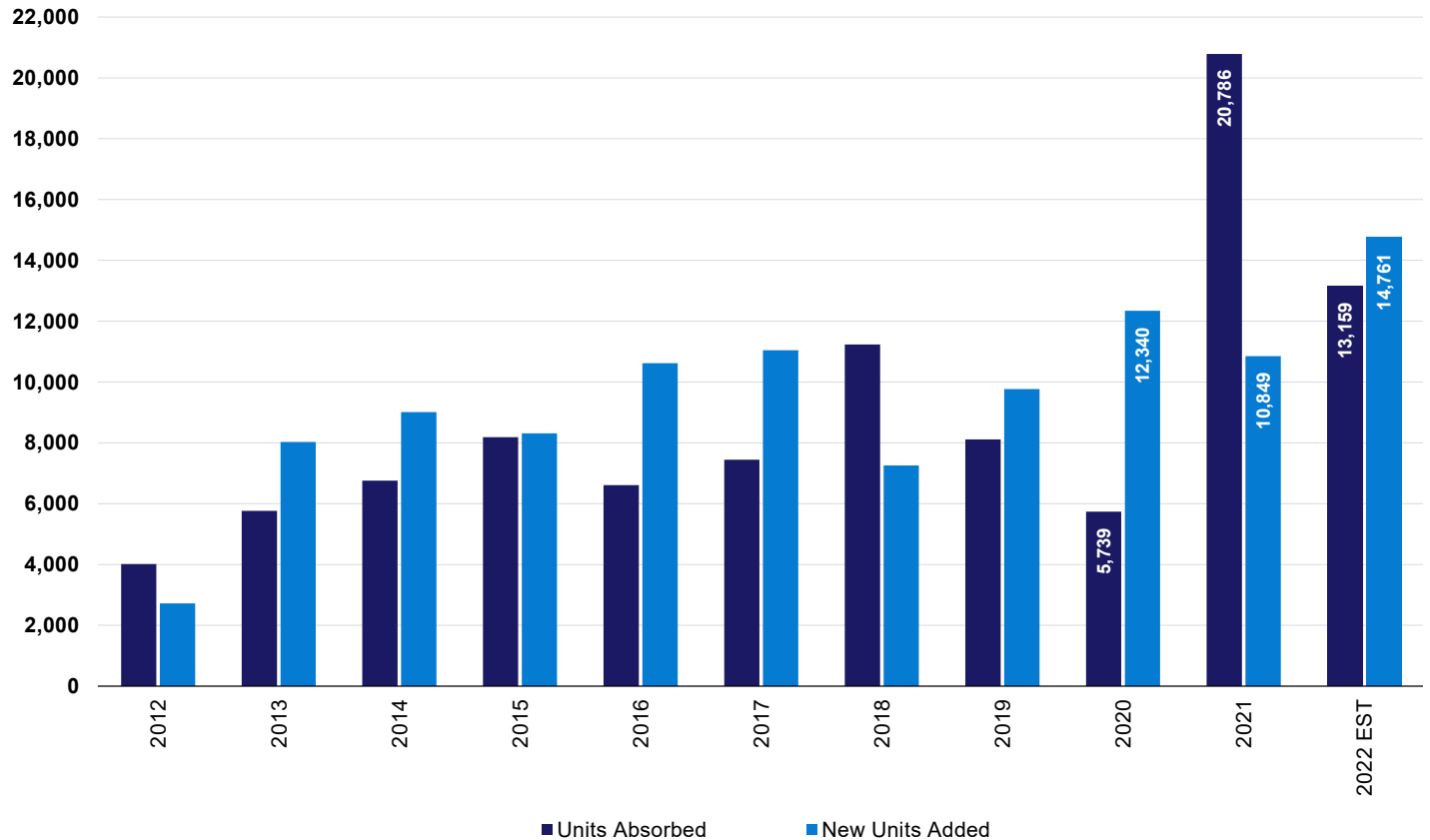
20,786

new units absorbed in 2021

10,985

average annual deliveries (2019-2021)

## SUPPLY AND DEMAND, ANNUALIZED + PROJECTION

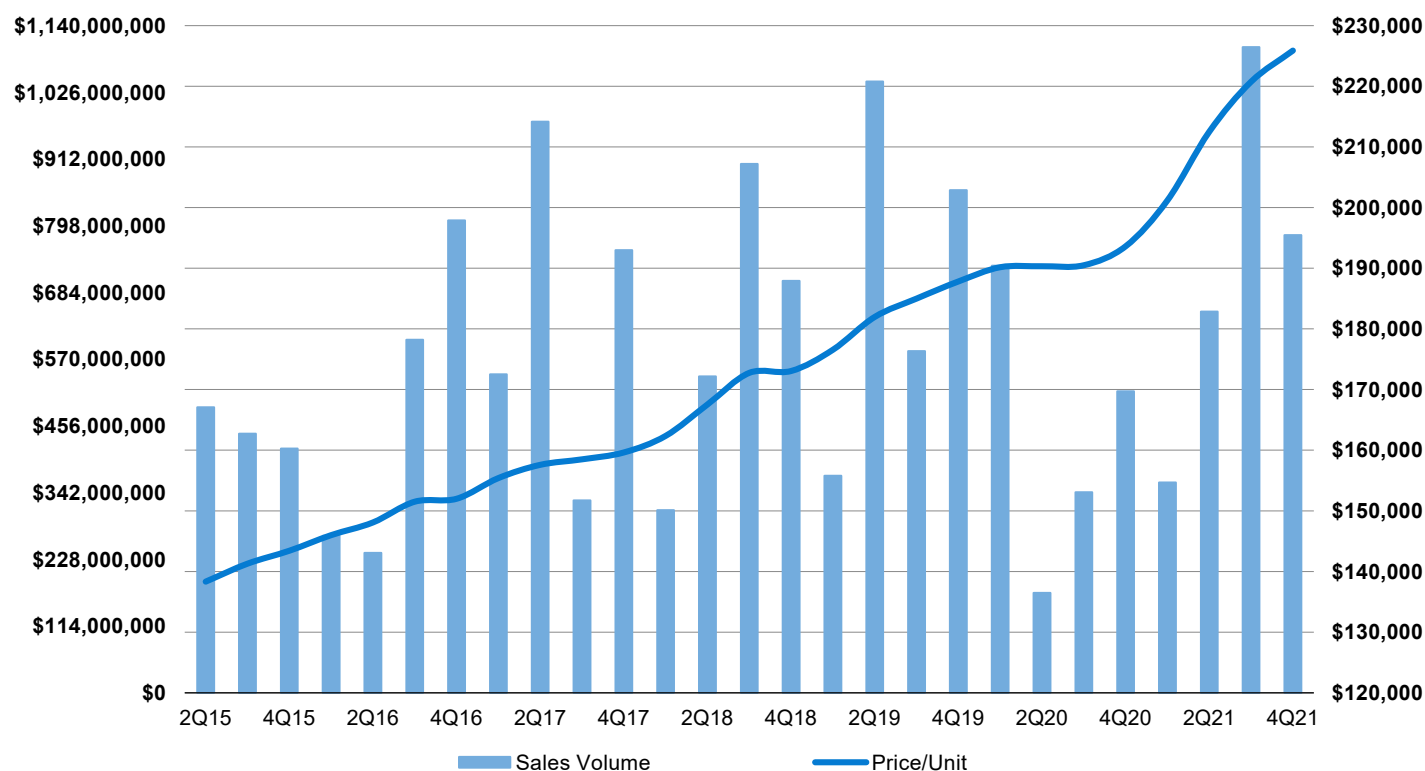


Source: CoStar

# Sales Volume

Austin’s multifamily sales volume during 4Q21 totaled \$782M, representing a 51.8% year-over-year increase.

## SALES VOLUME, QUARTERLY



Source: CoStar

## TRAILING 12 MONTH

	Low	Median	High
<b>Sales Price</b>	\$2,076,621	\$53,207,280	\$183,559,208
<b>Price/Unit</b>	\$94,407	\$199,006	\$495,000
<b>Cap Rate</b>	3.3%	3.9%	4.8%

Source: CoStar

Investors across the globe continue to flock to Austin, thanks to the market’s incredible turnaround. Occupancies increased by more than 5% in 2021 and annual rent growth remains one of the fastest growth rates in the country.

COSTAR

---

**NORTH AMERICA**

Canada  
United States

**LATIN AMERICA**

Argentina  
Brazil  
Chile  
Colombia  
Costa Rica  
Mexico  
Peru  
Puerto Rico

**EUROPE**

Austria  
Belgium  
Czech Republic  
France  
Germany  
Ireland  
Italy  
Netherlands  
Poland  
Portugal  
Romania  
Russia  
Spain  
Switzerland  
United Kingdom

**ASIA PACIFIC**

Australia  
Cambodia  
China  
India  
Indonesia  
Japan  
Malaysia  
New Zealand  
Philippines  
Singapore  
South Korea  
Taiwan  
Thailand

**AFRICA**

Botswana  
Kenya  
Malawi  
Nigeria  
South Africa  
Tanzania  
Uganda  
Zambia  
Zimbabwe

**MIDDLE EAST**

Saudi Arabia  
United Arab Emirates

---

*Central Texas Multifamily Capital Markets***Central Texas**

2530 Walsh Tarlton Ln.  
Suite 200  
Austin, TX 78746  
t 512-342-8100

**nmrk.com**

**Investment Sales**

**Patton Jones**  
*Vice Chairman*

t 512-637-1213  
patton.jones@nmrk.com

**Jim Young**  
*Senior Managing Director*

t 512-637-1265  
jim.young@nmrk.com

**Andrew Dickson**  
*Managing Director*

t 512-637-1237  
andrew.dickson@nmrk.com

**Matt Michelson**  
*Managing Director*

t 512-635-0420  
matt.michelson@nmrk.com

**Andrew Childers**  
*Managing Director*

t 512-637-1269  
andrew.childers@nmrk.com

**Steven Boice**  
*Director*

t 512-637-1215  
steven.boice@nmrk.com

**Debt & Structured Finance**

**Matt Greer**  
*Vice Chairman*

t 512-637-1236  
matt.greer@nmrk.com

**Andrew Wilson**  
*Vice President*

t 512-637-1268  
andrew.wilson@nmrk.com

All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark has not verified any such information, and the same constitutes the statements and representations only of the source thereof, and not of Newmark. Any recipient of this publication should independently verify such information and all other information that may be material to any decision that recipient may make in response to this publication, and should consult with professionals of the recipient's choice with regard to all aspects of that decision, including its legal, financial and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download or in any other way reproduce this publication or any of the information it contains. This document is intended for informational purposes only and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter.

# NEWMARK