



CAPITAL MARKETS

4Q22 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.



4Q22 AUSTIN MSA MULTIFAMILY STATS

91.4%

average occupancy

\$1,634

average effective rent

\$1.89

average effective rent psf

\$254,276

average sales price per unit

2,905

new units added

1,365

new units absorbed

Source: CoStar

4Q22 ECONOMIC SNAPSHOT

| | Current Level | | 12-Month Change | |
|--------------------------------|---------------|-------------|-----------------|-------|
| | MSA | U.S. | MSA | U.S. |
| Median Household Income | 95,654 | 75,945 | 9.0% | 8.0% |
| Unemployment | 2.8% | 3.6% | -0.4% | -0.6% |
| Labor Force | 1,366,140 | 165,204,563 | 2.6% | 1.9% |
| Population | 2,407,697 | 332,968,469 | 1.8% | 0.3% |

Source: Oxford Economics

Rent Growth

According to Zumper, Austin experienced a 13.5% asking rent increase for one bedroom apartments and a 13.0% increase in two bedroom apartments in 2022.

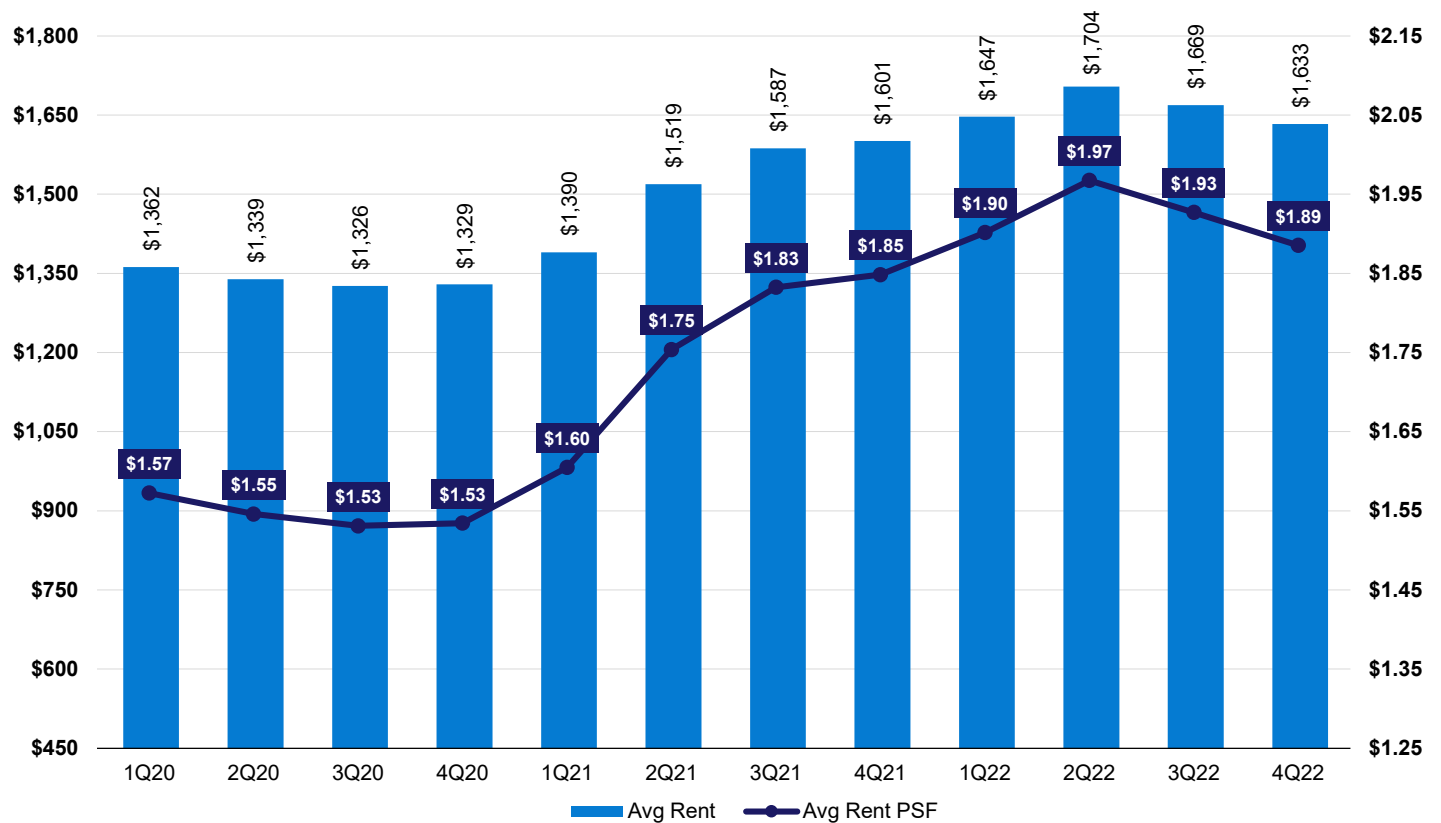
Asking rents in Austin have risen approximately 51% higher than the national pace over the past 24 months, with a 25% increase.

Markets in Texas continued to attract out-of-state renters in 2022, looking for better job opportunities and a more affordable lifestyle. According to RentCafe’s Most Competitive Rental Markets in 2022 Report, apartments in Austin fill up within 32 days of becoming available, while the overall apartment market finds itself at about 95% occupancy. This is positive news for owners, creating a competitive rental market with an estimated 12 prospective renters vying for every available unit.

Looking into 2023, the price gap between renting and homeownership will be most apparent in high-growth cities such as Austin. The national rental market stands to benefit as the cost of single-family homes continues to be out of reach for many Americans.

NEWMARK, MULTIFAMILYDIVE

HISTORICAL RENTS, QUARTERLY



Supply and Demand

14,954 new units were added to Austin’s inventory during 2022, while 7,683 units were absorbed.

The Credit Review ranks Austin at #4 on their Financial Health Index. This ranking is based on factors including number of permits for residential units (Austin saw nearly 46,700 over the past 12 months), a booming construction industry, a labor crunch and the realization that the city will have to loosen its belt to make room for the four million people expected to move in by 2040.

Texas has been named the fastest-growing state in the U.S., according to data provided by the U.S. Census Bureau, and a new report from University of North Carolina’s Kenan Institute of Private Enterprise ranks Austin as the number two fastest-growing city in the U.S. based on GDP.

14,954

new units added in 2022

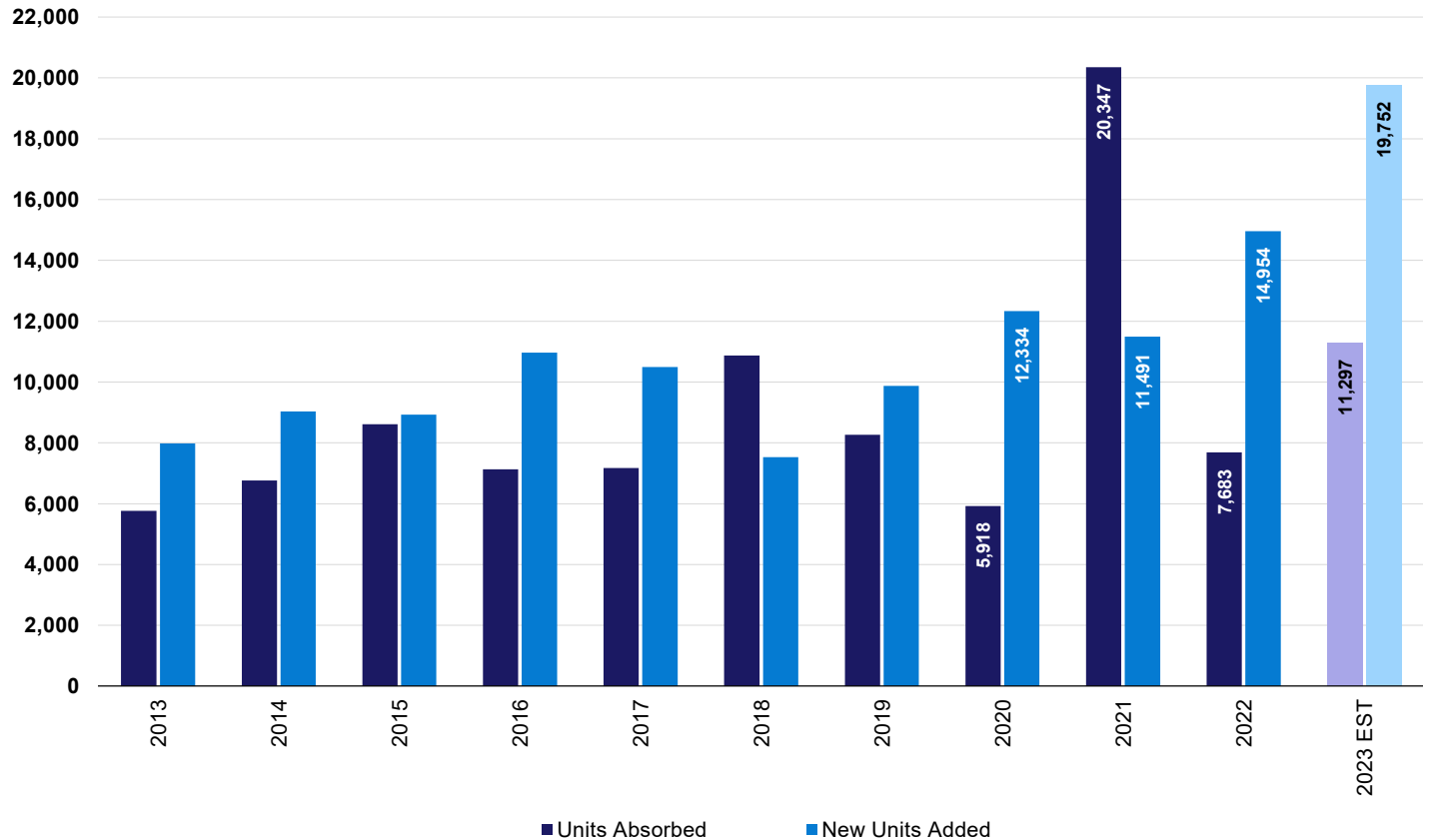
7,683

new units absorbed in 2022

12,926

average annual deliveries (2020-2022)

SUPPLY AND DEMAND, ANNUALIZED + PROJECTION

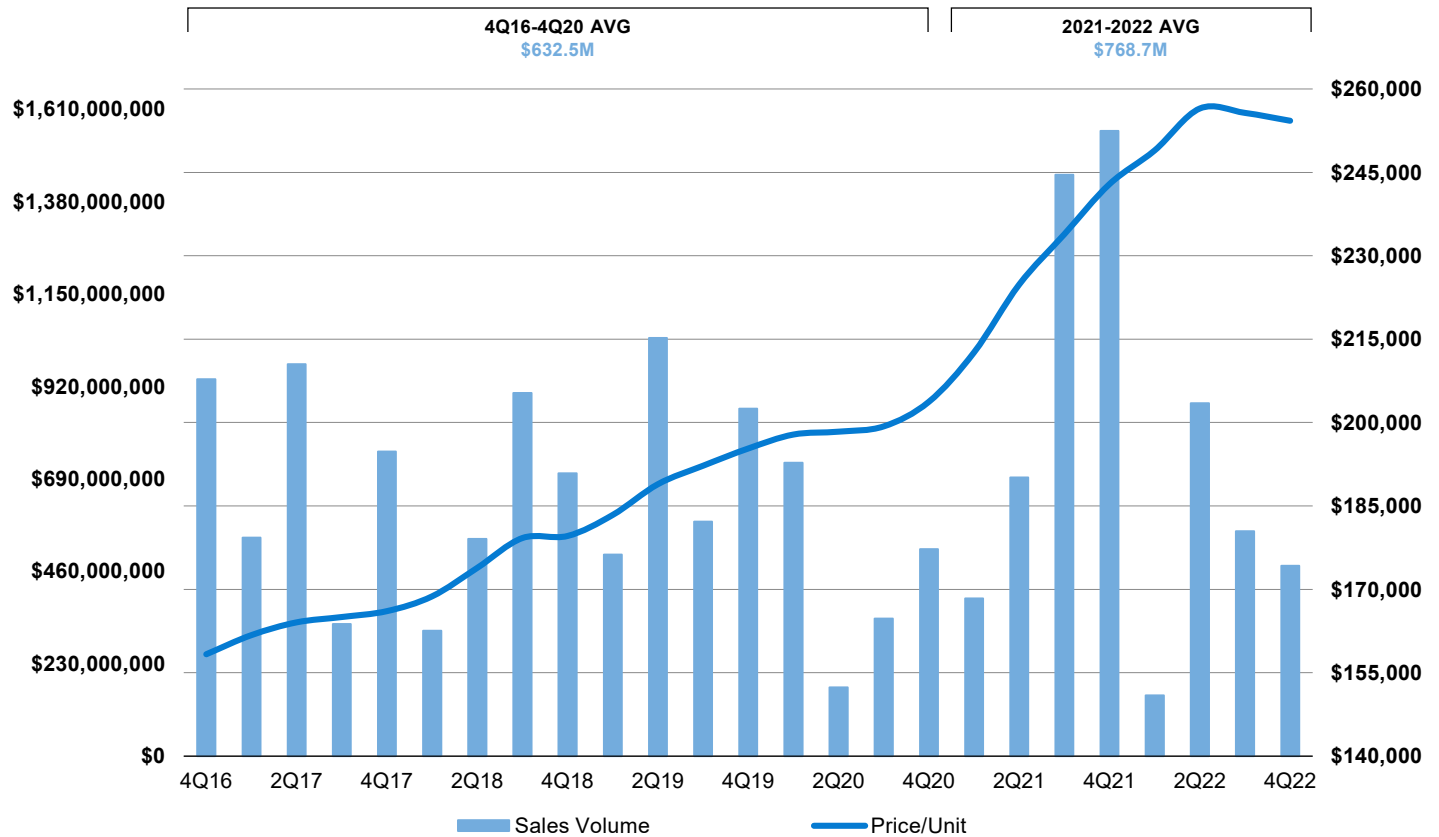


Source: CoStar

Sales Volume

Austin’s multifamily sales price per unit for the fourth quarter averaged \$254,276, representing a 4.7% year-over-year increase.

SALES VOLUME, QUARTERLY



Source: CoStar

TRAILING 12 MONTH

| | Low | Median | High |
|--------------------|-----------|--------------|---------------|
| Sales Price | \$925,000 | \$37,895,366 | \$146,566,296 |
| Price/Unit | \$118,157 | \$231,959 | \$508,333 |
| Cap Rate | 3.0% | 4.0% | 11.2% |

Source: CoStar

Austin is the #4 ranked real estate market due to its above-average levels of economic diversity and white-collar employment, leading to strong investor appeal.

URBAN LAND INSTITUTE, ANNUAL EMERGING TRENDS IN REAL ESTATE 2023

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Sources and Acknowledgments

CoStar
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