



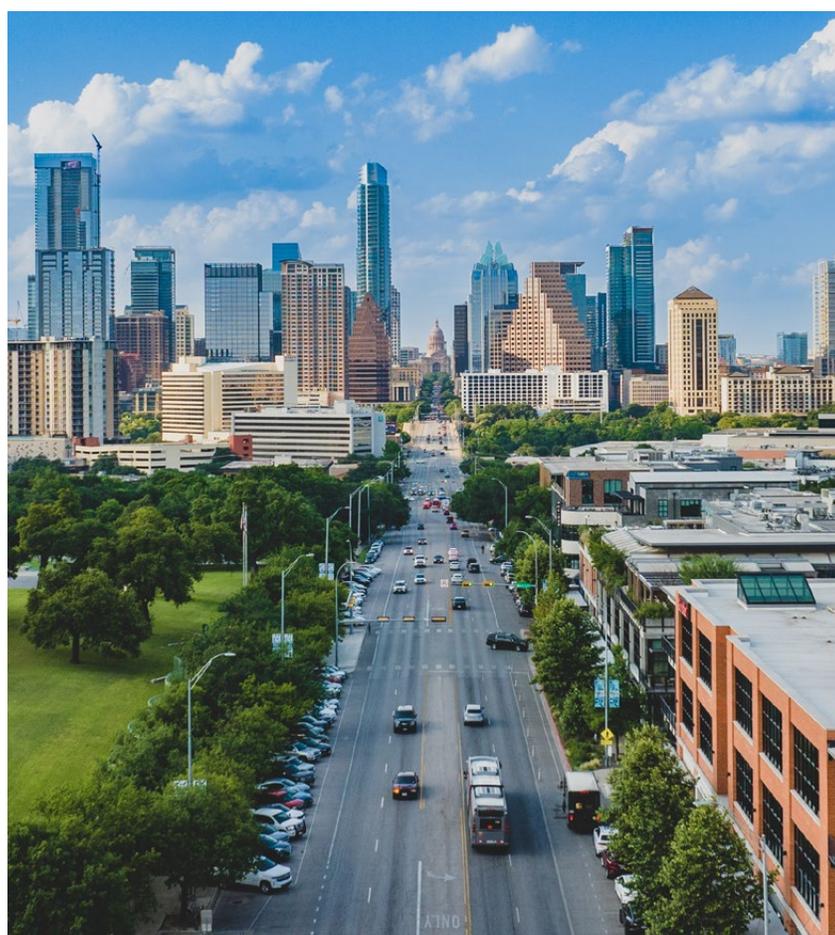
CAPITAL MARKETS

# 4Q23 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.



## 4Q23 AUSTIN MSA MULTIFAMILY STATS

87%

average occupancy

\$1,560

average effective rent

\$1.79

average effective rent psf

\$224,446

average sales price per unit

5,424

new units added

2,041

new units absorbed

Source: CoStar

## 4Q23 ECONOMIC SNAPSHOT

	Current Level		12-Month Change	
	MSA	U.S.	MSA	U.S.
<b>Median Household Income</b>	\$99,010	\$76,226	4.5%	3.5%
<b>Unemployment</b>	3.5%	3.6%	0.7%	0.1%
<b>Labor Force</b>	1,443,880	167,594,984	2.5%	1.6%
<b>Population</b>	2,472,175	335,155,500	1.6%	0.4%

Source: Oxford Economics

# Supply & Demand

Austin’s multifamily market is seeing a surge in development activity, with numerous new projects underway.

- Increased construction activity aims to meet the growing demand for rental units, with a range of options for to different market segments and preferences.
- Austin’s multifamily market experienced a significant increase in supply, with approximately 21,500 new units delivered in 2023, a 44% increase over the previous year and the highest level of construction activity in the past decade.
- The market remains stable and robust, with year-over-year rent growth of 2.9% on lease renewals. The monthly lease renewal rate in Austin stands at an impressive 55.5%, highlighting strong tenant satisfaction and retention in the city’s multifamily properties. These statistics underscore how appealing and desirable Austin’s rental market has become to both tenants and investors. (CoStar, Jan '24)

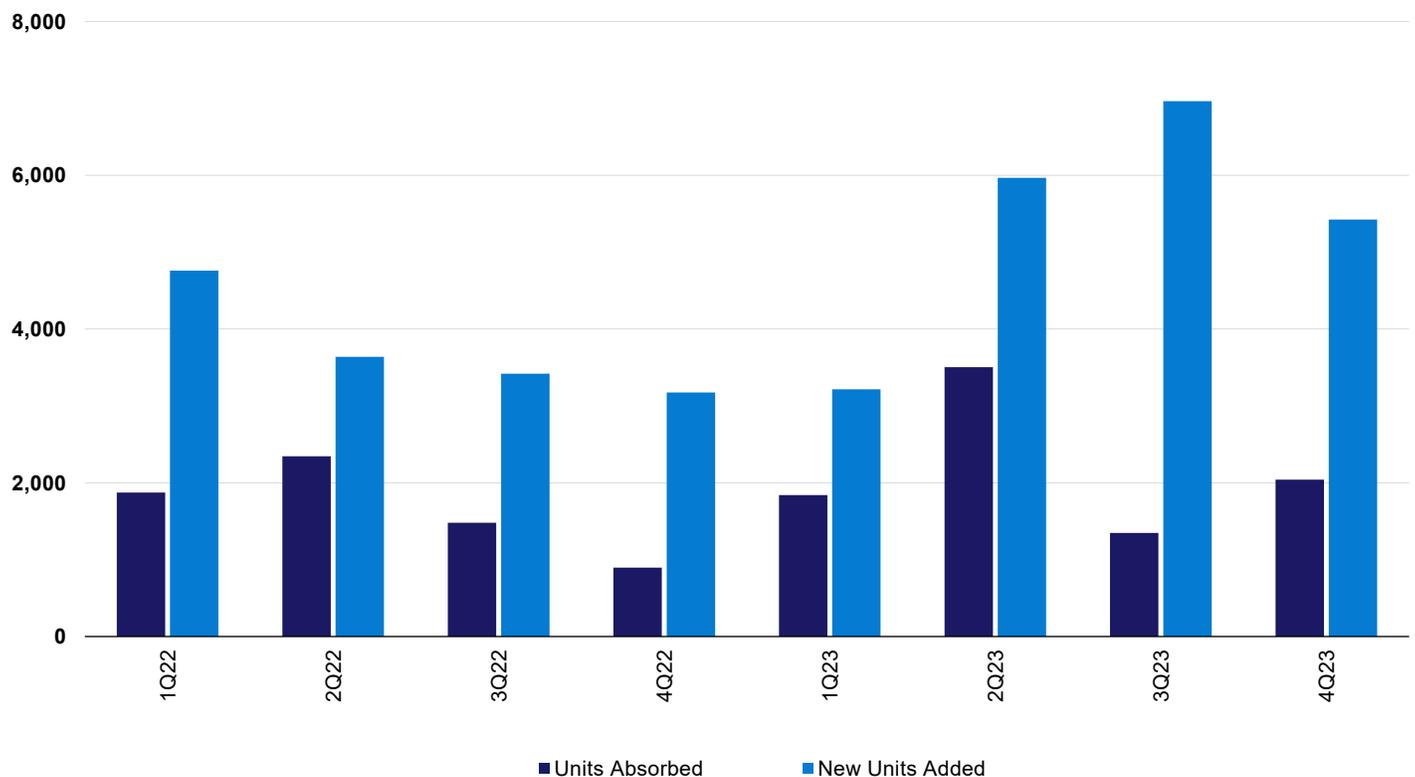


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Despite rising inventory, the Austin multifamily market demonstrated resilience in 2023, as absorption remained robust at 8,732 units, reflecting a notable 32% increase from 2022.

COSTAR

## ABSORPTION & DELIVERIES, QUARTERLY



# Growing Labor Market

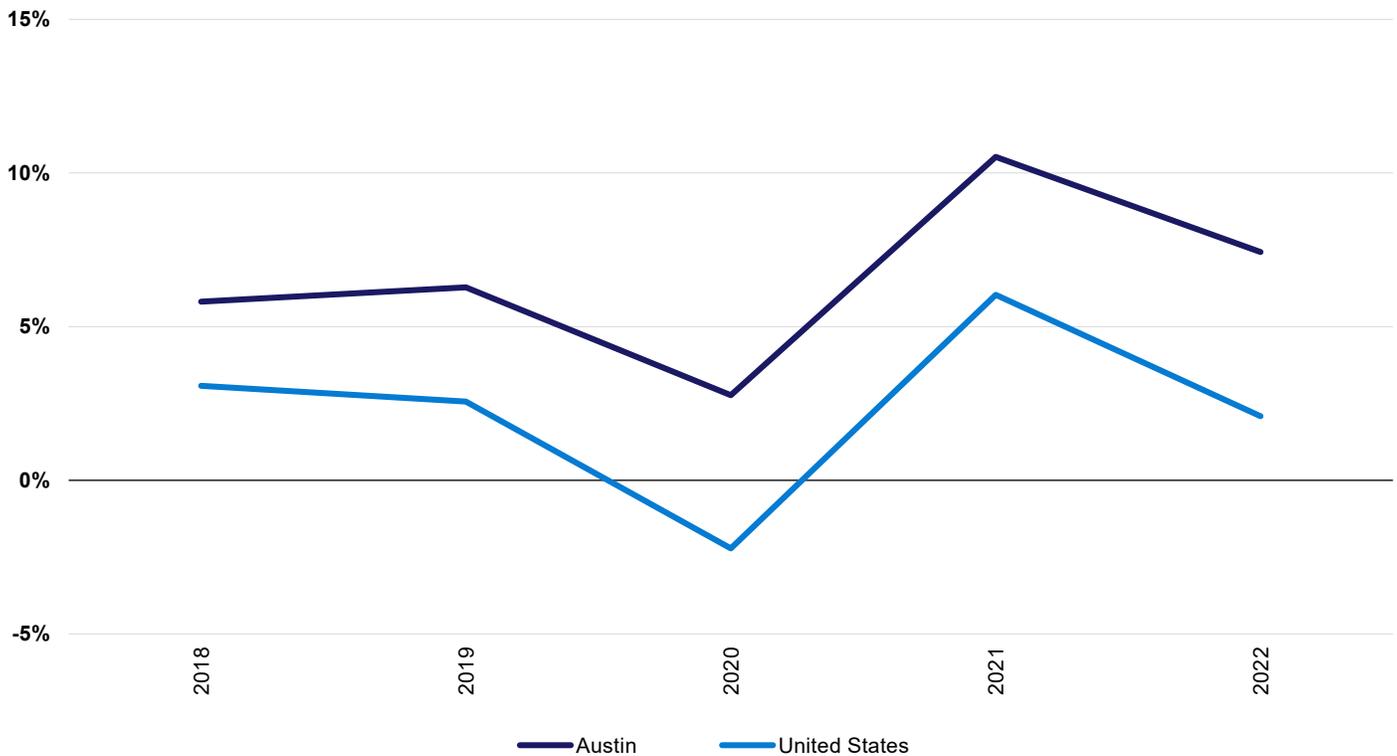
Austin’s reputation as a tech hub and exceptional job growth have attracted a highly educated and skilled labor force.

- The labor market continues to grow at 2.7%, outperforming the national average. Samsung and Tesla’s recent moves into Austin pave the way for future corporate expansions and relocations, signaling a promising outlook for new jobs in the Austin market (CoStar Jan '24).
- Austin’s job market has seen remarkable growth, making it a standout among major U.S. markets. According to RealPage Analytics, Austin has experienced a 22.3% increase in employment opportunities, adding over 245,000 jobs and further establishing Austin as a hub for professionals seeking career advancement.

The Austin metro has been the fastest-growing area in the nation for 12 years in a row.

LILA VALENCIA, AUSTIN CITY DEMOGRAPHER

## GROSS DOMESTIC PRODUCT (GDP) GROWTH, YEARLY

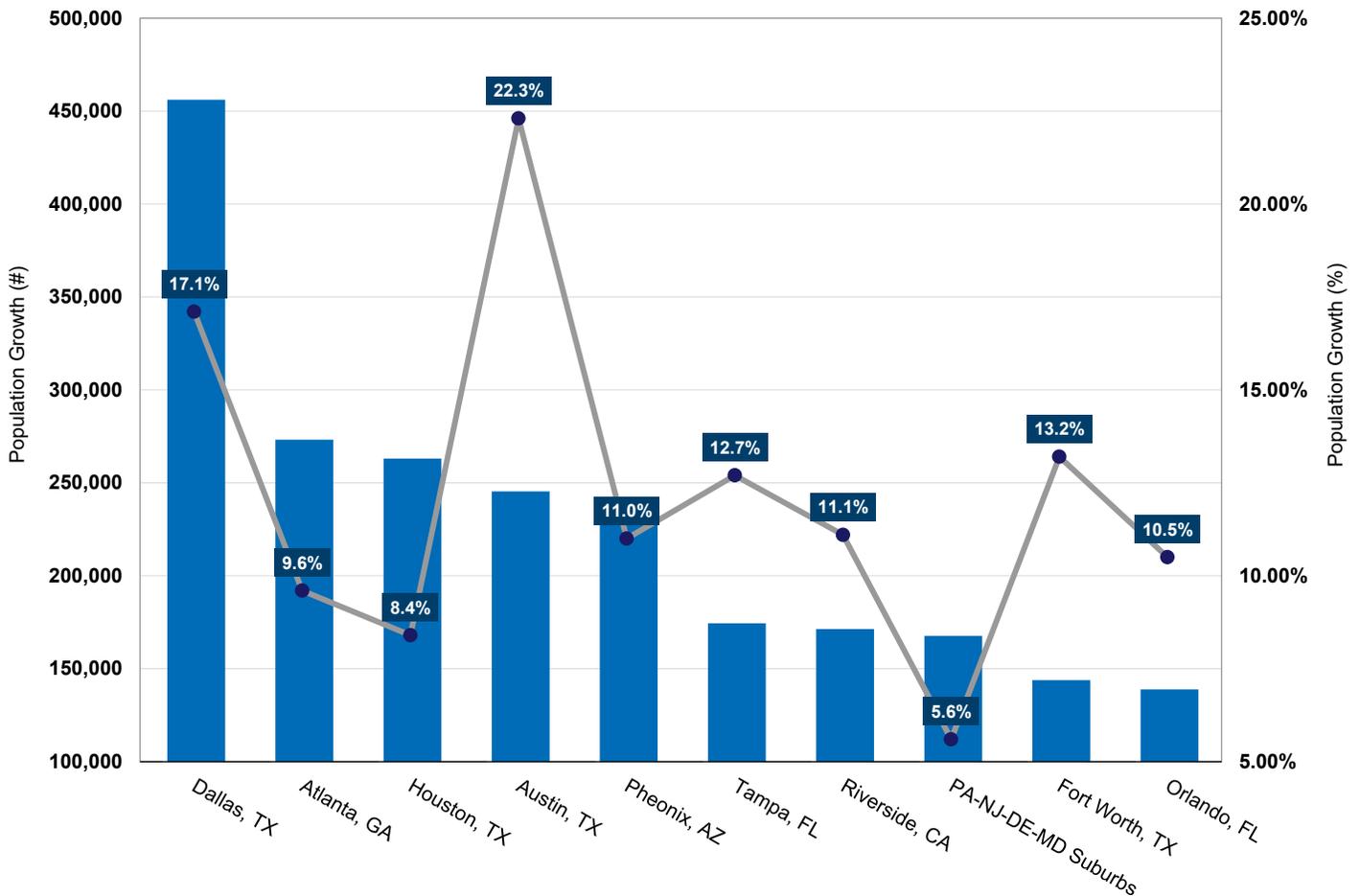


# Market Fundamentals

CoStar reports that despite a decrease in overall occupancies, Austin’s long-term demographic and economic growth trajectories continue to drive investor demand.

- According to the Federal Reserve Bank of St. Louis, real GDP in the Austin area climbed by 7.4% in 2022, or about \$13.4B. This growth rate ranked Austin as the number one fastest-growing major regional economy in the US, according to the Orlando Economic Partnership. (Austin Business Journal, Dec '23)
- Q3 2023 saw increased activity in suburban submarkets like Pflugerville, Buda-Kyle, and San Marcos. Suburban properties made up 80% of sales volume during this period, driven by strong investor interest in Austin’s rapidly expanding suburbs. (CoStar, Jan '24)

## POPULATION GROWTH



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