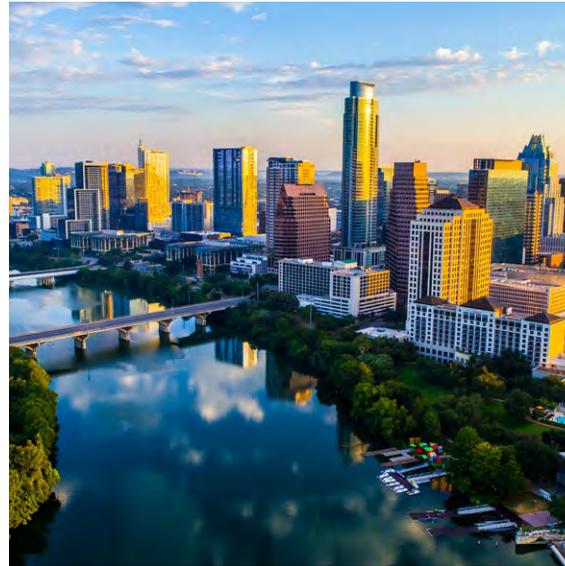


AUSTIN, TEXAS

NEW WHITE-COLLAR WORKERS EXPECTED TO SEEK APARTMENT ADDITIONS

While the effects of the coronavirus pandemic will continue to reverberate through the Austin market, the resiliency of the local economy should benefit the multifamily sector coming out of 2020. The payrolls shed last year eclipsed the trough of the Great Recession, as nearly one out of every four leisure and hospitality jobs were lost in 2020. The recovery of this industry is expected to be more protracted than most in the market. Conversely, the white-collar sectors that include financial activities and professional and business services expanded in 2020 and are forecast to continue to grow at a rapid pace this year. Facilitating these additions are more than 5.5 million square feet of office space scheduled to be completed in 2021. Occupations in business and financial operations typically earn 36% higher than the metro average, and the creation of these high-paying positions will contribute to Austin remaining an ideal destination for in-migration, especially for millennials. Well-paid renters will be needed as developers continue to add apartments at a healthy clip. After more than 10,000 units came online in 2020, nearly 11,900 units are scheduled to begin lease-up over the next four quarters. Unlike last year when apartment leasing activity slowed, annual absorption is forecast to almost double to nearly keep pace with inventory growth in 2021. This will lead to occupancy holding at an average of 94.0% year over year. At the same time, monthly effective rent is projected to dip on average 0.1% to close 2021 at \$1,251 as operators increase concessions to entice renters amid greater competition.



2021 MARKET AT A GLANCE



OCCUPANCY RATE
94.0%
 Unchanged YOY

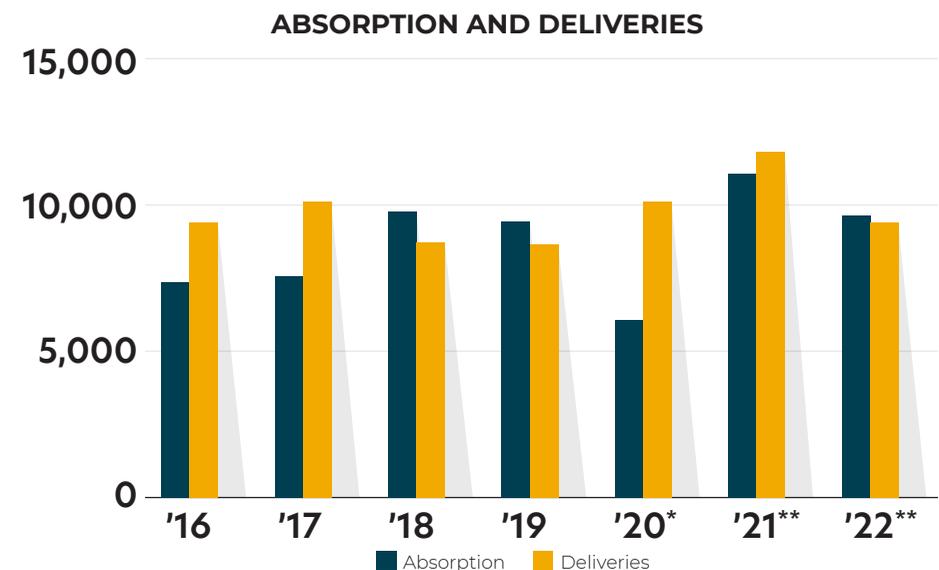
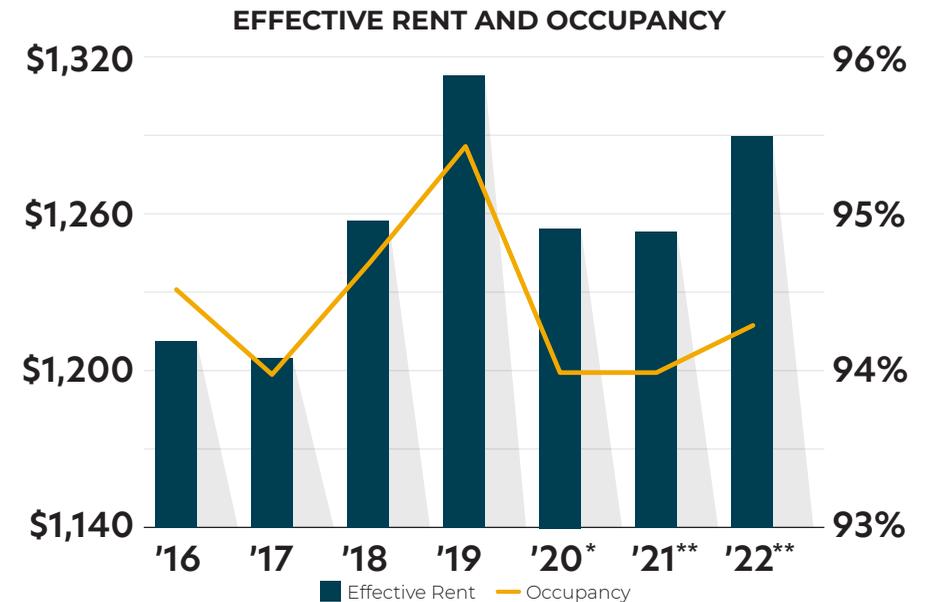


EFFECTIVE RENT
\$1,251
 Down 0.1% YOY



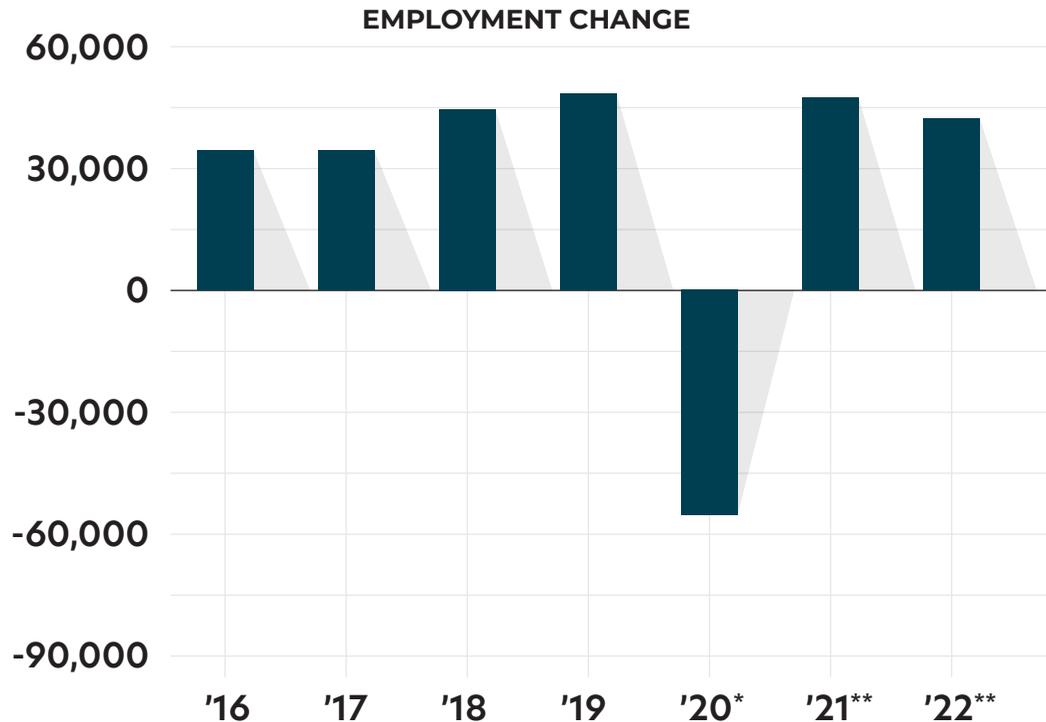
RENT SHARE OF WALLET
18.5%
 Down 40 bps YOY

MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

EMPLOYMENT TRENDS



2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,144,200	-4.8%	1,089,200	4.3%	1,136,500

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.9%	400 BPS	5.9%	-90 BPS	5.0%

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,253,700	2.2%	2,303,000	2.2%	2,354,100

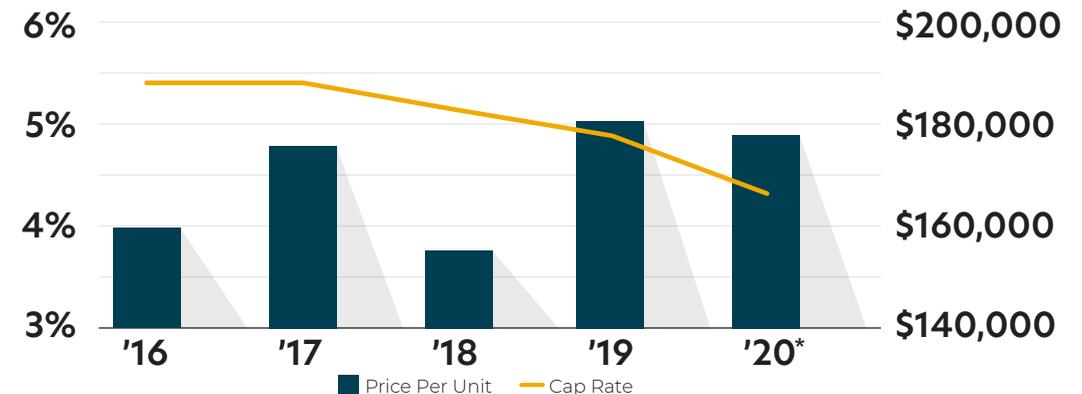
2019	YOY CHANGE	2020	YOY CHANGE	2021
867,800	2.2%	887,200	2.4%	908,900

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$81,347	-2.0%	\$79,694	1.9%	\$81,184

SALES TRENDS

2019	YOY CHANGE	2020*
\$180,322	-1.6%	\$177,520

2019	YOY CHANGE	2020
4.8%	-50 BPS	4.3%



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