

# AUSTIN, TX

## 2022 MARKET AT A GLANCE

### Occupancy Rate

96.3%



DOWN 10 BPS YOY

### Effective Rent

\$1,604



UP 8.3% YOY

### Rent Share of Wallet

22.0%



UP 100 BPS YOY

## Historic Apartment Development Expected with Employment and Population Booms

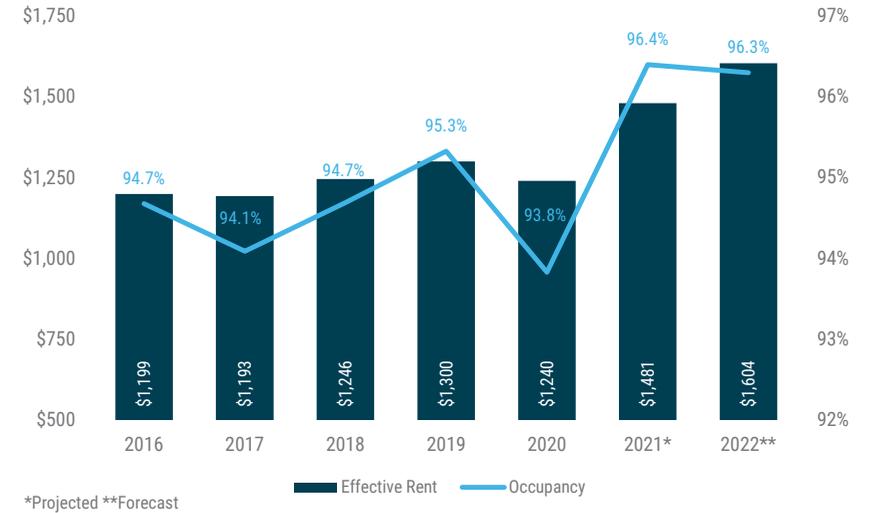
Builders are working to meet the immense housing demand across Greater Austin with historic apartment additions scheduled to come online this year. Deliveries are forecast to total nearly 18,600 units in 2022, representing 6.8% annual apartment inventory growth. Both figures would be at the highest level in more than two decades. Short-term reasons for the increase were the effects of the pandemic in 2020. Construction labor shortages, disruptions to the supply chain for building materials, and developers' uncertainty of the short-term apartment demand at the start of the pandemic delayed the start of many projects as well as prolonged the completion of communities under construction. While these factors contributed to the recent rise in additions, the long-term demographic trends of the market underpinned the surge in apartment development in recent years. Austin's population and workforce increases more than tripled U.S. averages over the last 10 years. Austin's population and employment growth are forecast to again outperform the nation this year, in part with expansions by Apple, Oracle, and Tesla. These factors will drive housing demand, and nearly keep net absorption of apartment stock on par with annual inventory growth. As a result, average apartment occupancy in Greater Austin is forecast to end this year at 96.3%, nearly the same rate as one year prior. With occupancy 160 basis points higher than the five-year average, apartment operators are expected to maintain elevated effective rent growth. Austin rent is forecast to rise 8.3% over the next four quarters.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

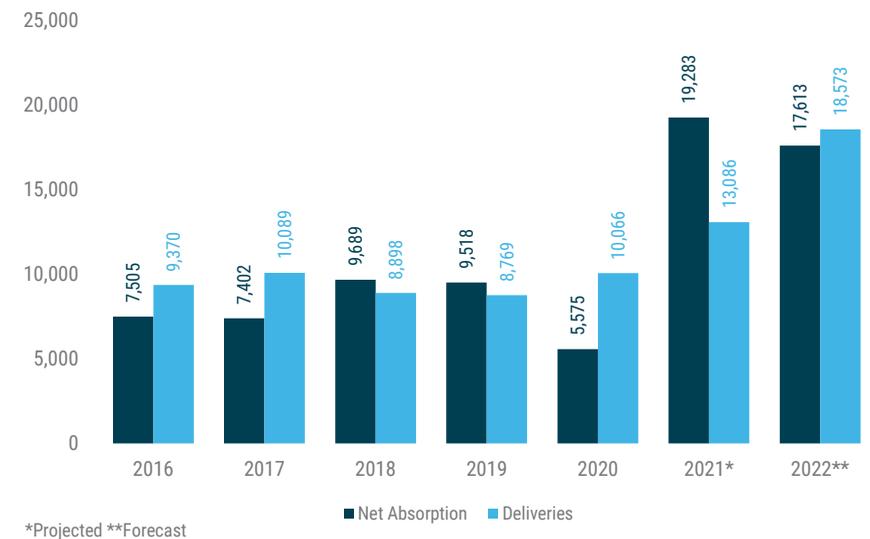
2022 FORECAST

## APARTMENT TRENDS

### Effective Rent & Occupancy

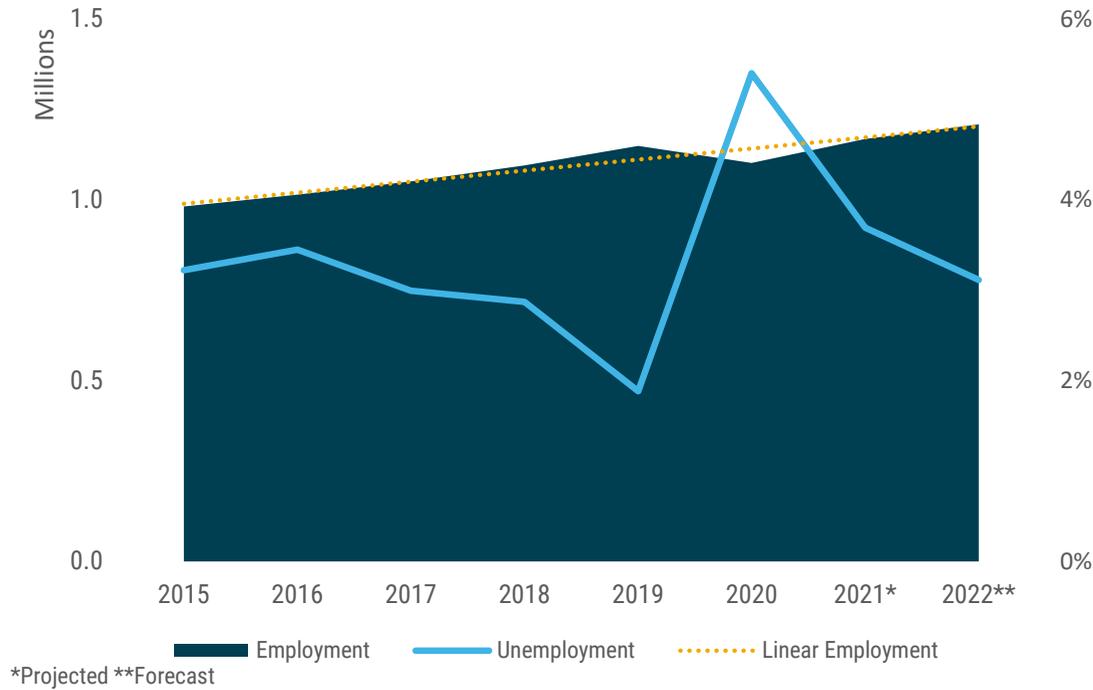


### Absorption & Deliveries



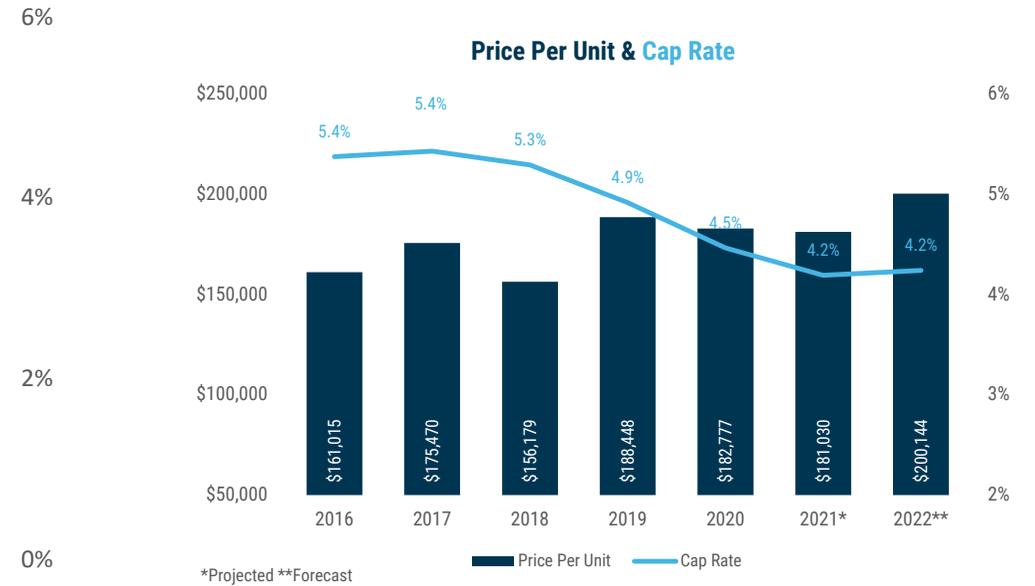
## EMPLOYMENT TRENDS

### Market Employment Trends



## SALES TRENDS

### Price Per Unit & Cap Rate



<p><b>Employment</b></p> <p>1,209,300</p> <p>↑</p> <p>UP 3.5% YOY</p>	<p><b>Unemployment</b></p> <p>3.1%</p> <p>↓</p> <p>DOWN 60 BPS YOY</p>	<p><b>Median Household Income</b></p> <p>\$87,399</p> <p>↑</p> <p>UP 3.1% YOY</p>
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<p><b>Price Per Unit</b></p> <p>\$200,144</p> <p>↑</p> <p>UP 10.6% YOY</p>	<p><b>Cap Rate</b></p> <p>4.2%</p> <p>=</p> <p>UNCHANGED YOY</p>
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