

# AUSTIN TX

## INSTITUTIONAL MULTIFAMILY REPORT

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INSTITUTIONAL SOLUTIONS

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# AUSTIN, TX EMPLOYMENT

## JOBS ADDED

LAST 12 MONTHS

115,300

↑ 11.3%

NEXT 12 MONTHS\*

55,700

↑ 4.9%

## UNEMPLOYMENT

MID-YEAR 2021

4.7%

↓ 600 BPS YOY

MID-YEAR 2022\*

3.6%

↓ 110 BPS YOY

\*PROJECTED

With Texas easing pandemic restrictions, the Austin economy has flourished with businesses reopening and new companies establishing new headquarters in the metro. In June 2021, the Austin metro supported over 1.1 million jobs.

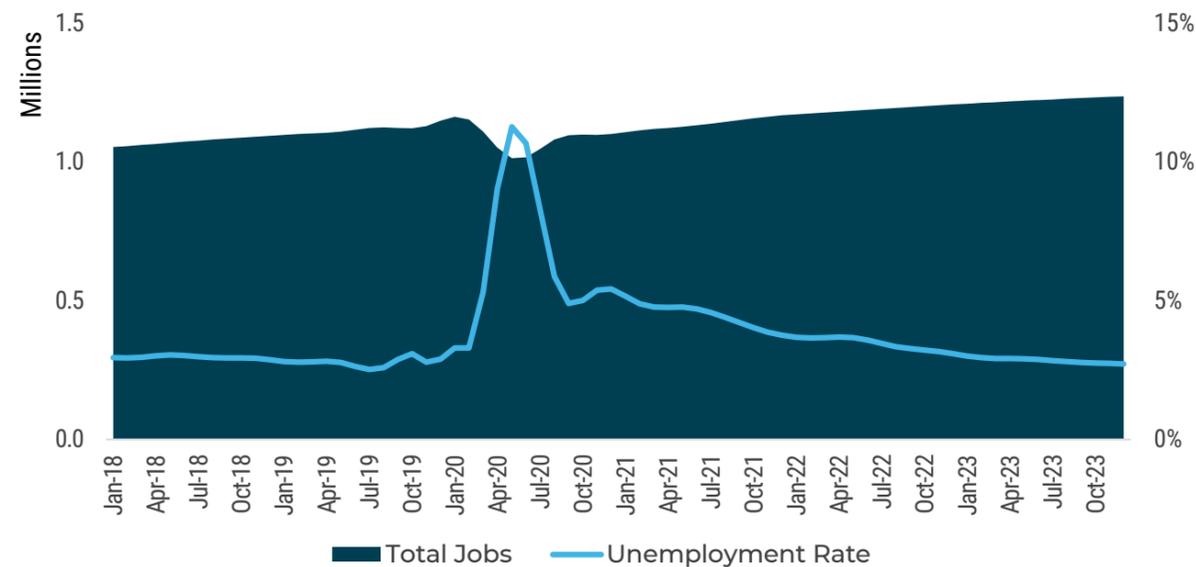
As restaurants and entertainment options reopened or expanded services people have started to go out. The leisure and hospitality industry had a 49.2% employment growth since June 2020, with 38,800 new and reinstated jobs.

With more people returning to the office and new businesses relocating to Austin, the largest industry—professional and businesses services—gained 25,000 net jobs since June 2020. The business-friendly economic atmosphere and

lack of COVID-19 restrictions has attracted major companies from the West Coast to establish new offices in Austin. Companies such as Tesla Inc., Apple Inc., Amazon.com Inc., and Oracle have announced that they will be bringing thousands of workers to the greater Austin area. The influx of jobs has dropped the unemployment rate 600 basis points since June 2020 to 4.7% by mid-year 2021.

Continued hiring is predicted contribute to the unemployment rate to continue to drop. Over the next 12 months, the Greater Austin workforce is expected to increase 4.9%, bringing total employment to 1.2 million jobs.

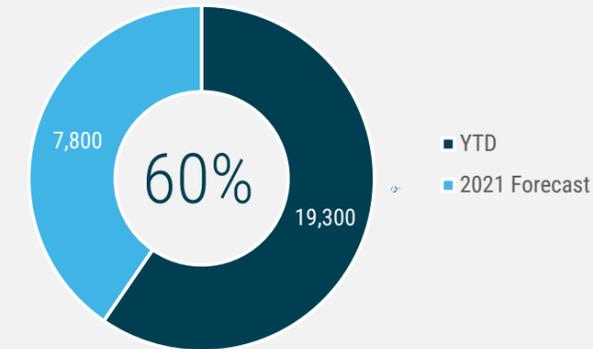
## EMPLOYMENT TRENDS



SOURCE: MOODY'S ANALYTICS

## WHO'S HIRING?

### LEISURE & HOSPITALITY INDUSTRY



11%  
OF ALL JOBS IN THE METRO

\$26,300  
AVERAGE ANNUAL SALARY

## TOP LEISURE & HOSPITALITY EMPLOYERS

LakeTravis	800 JOBS
Marriott INTERNATIONAL	800 JOBS
HYATT®	700 JOBS

## IN THE NEWS

- [Tesla hiring 10,000-plus employees for Gigafactory](#)
- [Hyllion begins expansion of its Austin HQ](#)
- [Amazon to hire 1,000 employees in Pflugerville](#)
- [Oracle moves headquarters to Texas joining valley exodus](#)
- [Wayfair adding tech office in Austin, plans to hire 200](#)



## AUSTIN, TX

# DELIVERIES & ABSORPTION

### 2021 UNITS\*

#### DELIVERED

15,060

#### ABSORBED

17,768

### 2022 UNITS\*

#### DELIVERED

17,812

#### ABSORBED

15,015

\*PROJECTED

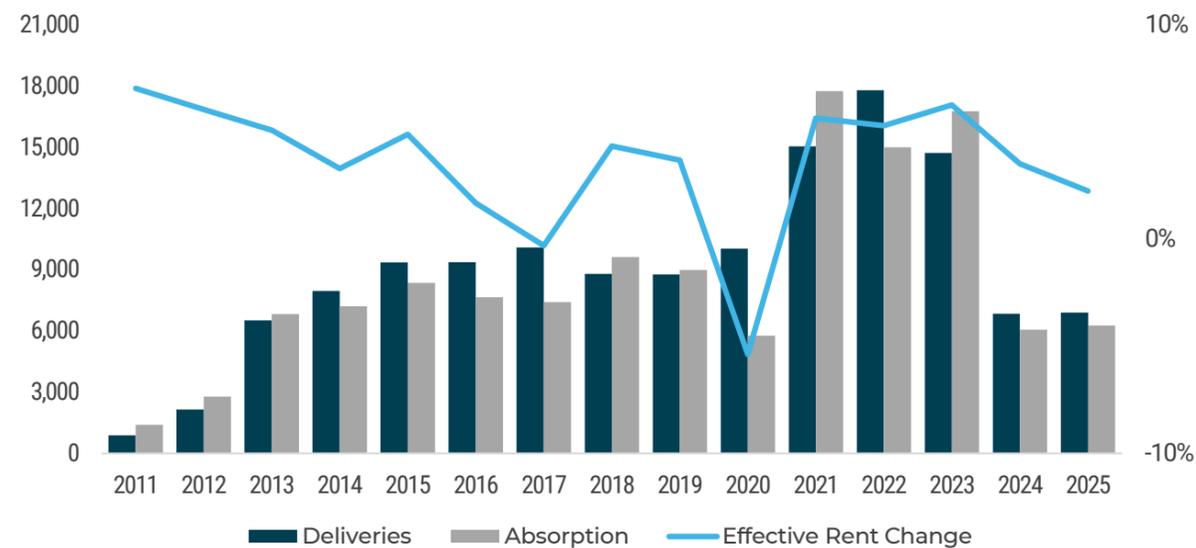
With the Austin metropolitan area being a popular relocation hub for residents and businesses, the multifamily market has had a quick recovery from the onset of the pandemic. Net absorptions from the first half of 2021 surpassed the amount of total absorbed units in 2020. In the first two quarters, nearly 8,300 net units have been absorbed compared to 5,775 net units absorbed in 2020.

Significant apartment demand is expected to continue the rest of the year and through 2022 as next year's absorption is forecasted to total approximately 15,000 net units. Developers are working to keep up with the expected demand as 15 out of the 16 submarkets in the Greater Austin have hundreds of units under construction.

Builders are projected to deliver about 17,800 units throughout the metro in 2022.

The East Austin and the Round Rock/Georgetown submarkets have the greatest number of units under construction. Together, the two submarkets have 11,940 units under construction with 65.4% of them being in East Austin. Cheaper effective rent and a hip bar and restaurant scene has been attracting new residents to these submarkets. The suburban submarkets are becoming the new home to technology companies fleeing the West Coast, which creates more white-collar job opportunities for residents.

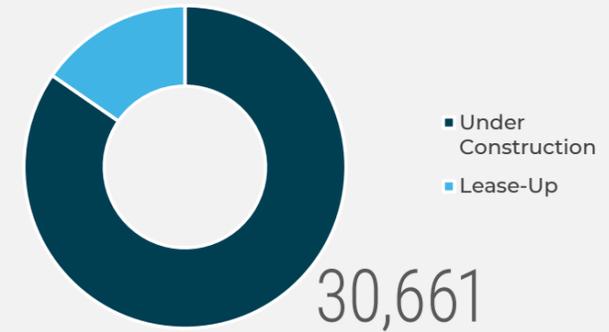
### DELIVERIES, ABSORPTION, & EFFECTIVE RENT CHANGE



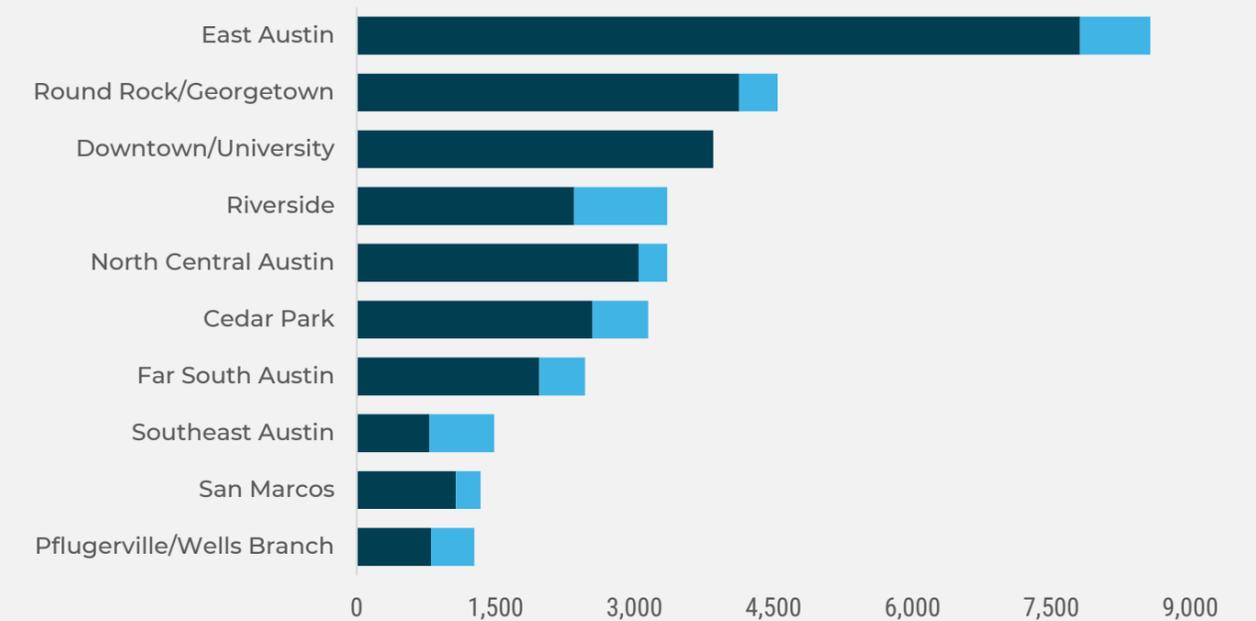
SOURCE: REALPAGE

### MARKET PIPELINE

13,695



### TOP 10 SUBMARKET PIPELINES



For a complete list of properties in the pipeline, [CLICK HERE](#)



## AUSTIN, TX

# RENT & OCCUPANCY

### EFFECTIVE RENT

2Q 2021

\$1,428

↑ 6.6% YOY

### OCCUPANCY

2Q 2021

94.9%

↑ 80 BPS YOY

Greater Austin apartment rent and occupancy have steadily recovered from the effects of the onset of the pandemic. The robust increase in net absorption amid steady inventory growth contributed to a spike in effective rent. After a 2.2% decrease during the first half of the pandemic, effective rent made a full recovery, even rising 10.2% since the end of 2020. Effective rent averaged \$1,428 in the second quarter of 2021, which was above pre-pandemic prices.

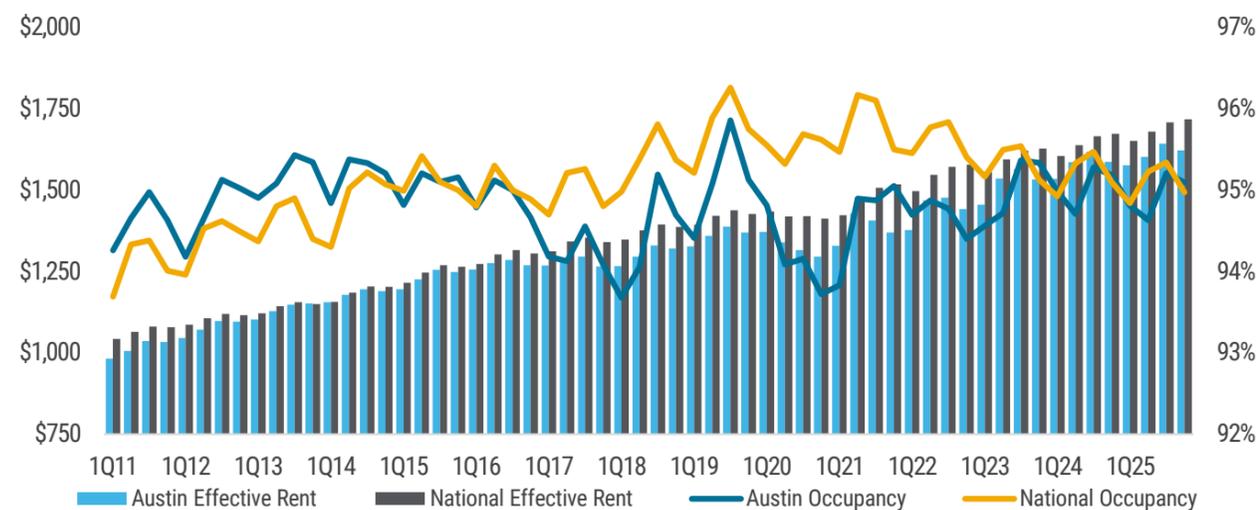
Four submarkets had an annual effective rent growth of more than 10.0%. The Cedar Park and the Southwest Austin submarkets had the most effective rent growth in the last year due in part to the migration trend of residents moving to suburbs during the early stages of the pandemic.

With businesses and attractions reopening earlier in Texas compared to other states, more people have begun returning downtown and urban living. The Downtown/University submarket occupancy rose 290 basis points since the end of 2020. Some of the occupancy growth can be attributed to students who returned for hybrid learning at The University of Texas Austin, which has the second largest enrollment in the state. Greater Austin occupancy increased 120 basis points at the same time to 94.9% in the second quarter of 2021. The rise moved occupancy closer to the preceding five-year average of 95.3%.

### SUBMARKET PERFORMANCE

SUBMARKET NAME	2Q21 OCCUPANCY	YOY (BPS)	2Q21 EFFECTIVE RENT	YOY
Arboretum	94.4%	20	\$1,251	5.1%
Cedar Park	95.5%	90	\$1,404	11.9%
Downtown/University	96.1%	410	\$2,512	10.4%
East Austin	93.1%	0	\$1,413	0.3%
Far South Austin	95.7%	80	\$1,327	7.6%
Far West Austin	95.8%	180	\$1,396	9.2%
Near North Austin	94.2%	-10	\$1,312	1.6%
North Central Austin	94.4%	-50	\$1,224	3.5%
Northwest Austin	95.2%	80	\$1,341	10.8%
Pflugerville/Wells Branch	95.7%	110	\$1,266	5.3%
Riverside	93.5%	-10	\$1,233	0.7%
Round Rock/Georgetown	96.2%	120	\$1,307	9.7%
San Marcos	95.8%	160	\$1,157	6.8%
South Austin	93.7%	40	\$1,643	7.2%
Southeast Austin	94.5%	-10	\$1,267	5.8%
Southwest Austin	94.6%	90	\$1,571	11.7%

### AUSTIN VS. NATIONAL EFFECTIVE RENT & OCCUPANCY



SOURCE: REALPAGE



## AUSTIN, TX

# POPULATION & MIGRATION

### 2021 RESIDENTS\*

2,351,000

↑ 2.1% YOY

### 2022 RESIDENTS\*

2,401,000

↑ 2.1% YOY

\*PROJECTED

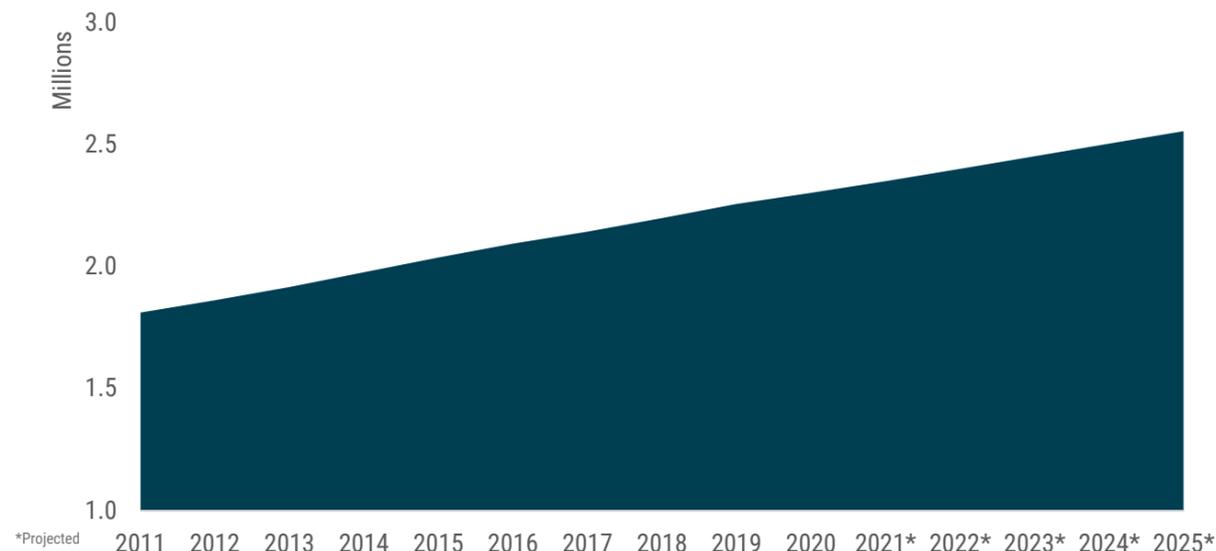
Coming out of the pandemic, the Austin metropolitan area has returned to a steady increasing pace in population growth and is trending to continue the population climb. Greater Austin is projected to be home to 2.3 million people by the end of 2021, which would be a 2.1% increase from 2020. Growth is forecast to remain linear continuing into 2022 at a 2.1% rate reaching 2.4 million residents.

Due to the pandemic shutdowns in urban areas across the country, many people sought to move to the suburbs. This trend held true in Austin. From the second quarter of 2020 to the first quarter of 2021, 10,660 people relocated from Austin's urban areas to the suburbs. This was reflected in the East Austin submarket, which

has been one of the most popular suburban submarkets in the metro. In part, pandemic suburban migration has added to East Austin's popularity as it contains 25.7% of the units delivered in the first two quarters of 2021.

Looking forward, some residents are anticipated to return to Downtown Austin because of its urban lifestyle amenities, such as live music, and major company expansions and relocations are taking place. With classes transitioning back to in-person in the fall, students from Austin universities will be returning to the area joining the growth of Austin's urban core.

### AUSTIN POPULATION

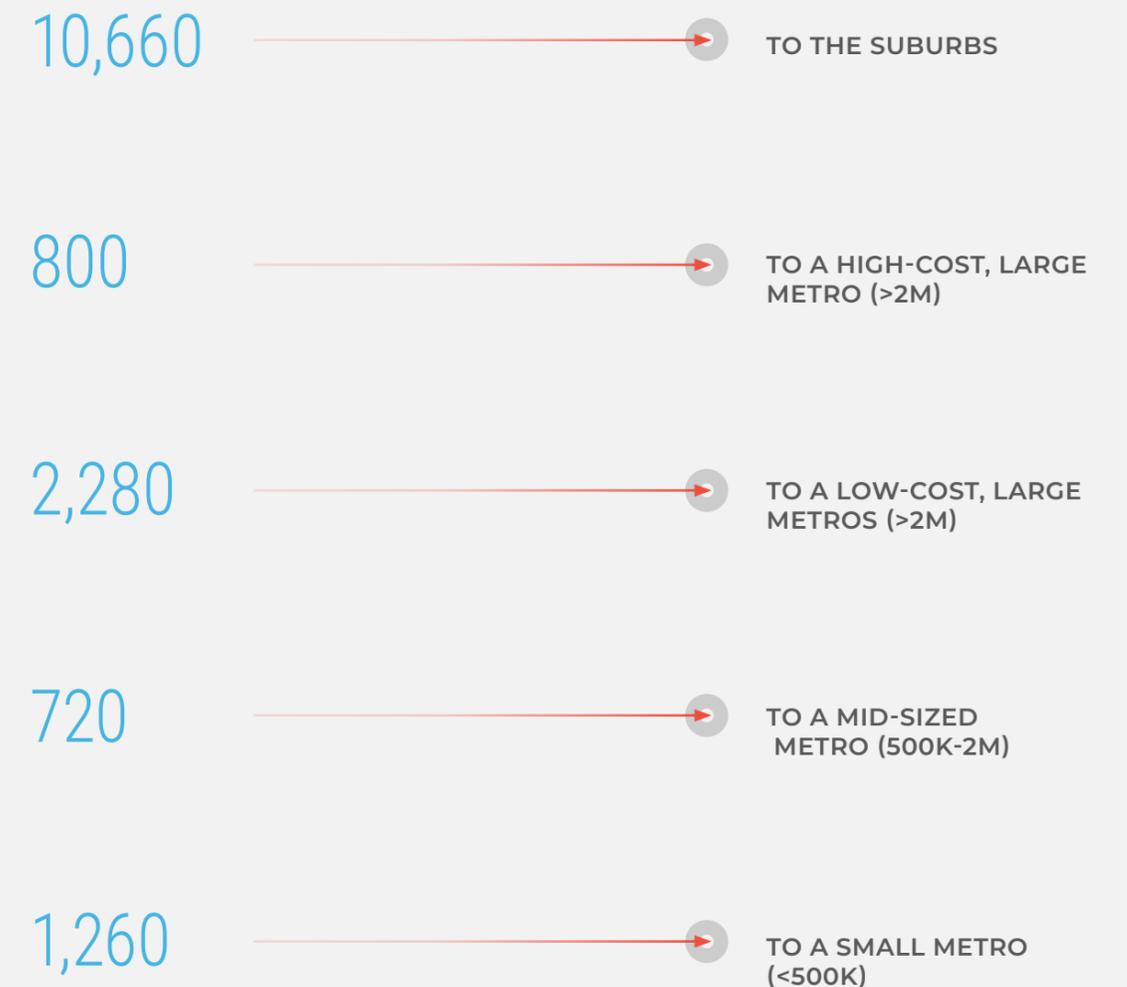


\*Projected

SOURCE: MOODY'S ANALYTICS

### URBAN MIGRATION DURING THE PANDEMIC

2Q 2020 - 1Q 2021



SOURCE: FEDERAL RESERVE BANK OF CLEVELAND



# AUSTIN, TX SALES

2021 YEAR TO DATE\*



VOLUME

Nondisclosure



PRICE PER AVERAGE (AVG)

Nondisclosure



TRANSACTIONS

14



CAP RATE (AVG)

Nondisclosure

WHAT'S TRADING?\*



UNITS (AVG)

323



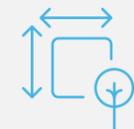
YEAR BUILT (AVG)

2010's



BUILDINGS (AVG)

8



ACRES (AVG)

13.48

TOP BUYERS\*\*

BUYER	LOCATION
Austin Affordable Housing Corp	Austin, TX
Eaton Vance RE	Boston, MA
Casle Lanterra Properties	Suffern, NY
KKR	New York, NY
BSR Trust	Little Rock, AR

TOP SELLERS\*\*

SELLER	LOCATION
Alliance Residential	Phoenix, AZ
Investors Managment	Los Angeles, CA
Prinicpal Financial	Des Moines, IA
Trammell Crow Co	Dallas, TX
Dinerstein Cos	Houston, TX

\*\*Past 24 Months

\*\$50M+  
SOURCE: REAL CAPITAL ANALYTICS



# AUSTIN, TX SALES

\$50+ MILLION TRANSACTIONS



### MOSAIC AT MUELLER

Austin, TX

UNITS	YEAR BUILT
441	2008
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### GLENHAVEN AT STAR RANCH

Hutto, TX

UNITS	YEAR BUILT
402	2009
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### BELL SOUTHPARK

Austin, TX

UNITS	YEAR BUILT
400	2018
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### ELIZABETH AT PRESIDIO

Austin, TX

UNITS	YEAR BUILT
373	2019
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### FLATIRON DOMAIN

Austin, TX

UNITS	YEAR BUILT
364	2019
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### LA MIRAGE

Austin, TX

UNITS	YEAR BUILT
348	1993
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### MUIR LAKE

Cedar Park, TX

UNITS	YEAR BUILT
332	2014
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### ELAN PARKSIDE

Austin, TX

UNITS	YEAR BUILT
309	2017
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### BRIDGE AT SOUTHPARK MEADOWS I

Austin, TX

UNITS	YEAR BUILT
285	2013
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure



### BRIDGE AT SOUTHPARK MEADOWS II

Austin, TX

UNITS	YEAR BUILT
285	2013
PRICE / UNIT	SALES PRICE
Nondisclosure	Nondisclosure

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Sources: RealPage; Moody's Analytics; Real Capital Analytics; Federal Reserve Bank of Cleveland

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