

# MULTIFAMILY | AUSTIN INVESTMENT SALES MARKET REPORT

## Vacancies have ticked down from recent highs

### Q2 2021

#### EXECUTIVE SUMMARY

Despite some of the highest vacancies in the country among major markets, Austin's apartment market has seen one of, if not the fastest rebounds in the country since the start of the year. Asking rents are now up more than 10% since the start of the pandemic, well ahead of the national average, after declining in 2020. The economic wins the market registered last year, specifically Tesla's new Gigafactory, Oracle choosing Austin for its official headquarters, and BAE's expansion, on top of robust growth by Amazon, are finally paying dividends, as the market saw some of the strongest demand for apartments in the first six months of the year compared to Austin's history, reported CoStar.

#### VACANCY

Despite the robust single-family market and the headlines that Austin has acquired over the past year, the metro hasn't seen as much absorption during the pandemic as other metros around the country. But the market saw some of the best absorption in the first few months of the year, with more than 3,000 net move ins during the quarter. As a result, vacancies have ticked down from recent highs that mirrored the previous recession.

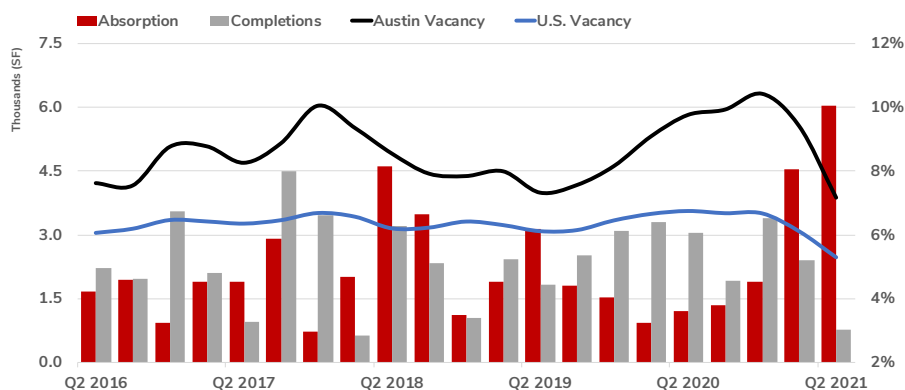
#### SALES

Given Austin's robust demographics—the metro has added the third most 20–34-year-olds since 2010 of any major market—and strong economic performance, Austin has been one of the most compelling Sunbelt markets in the country, at least prior to the pandemic. More than \$2 billion in sales volume was observed in 2019, for the third year in a row. 2020 came in slightly lighter at around \$1.7 billion in sales volume. That's just recorded volume, though: Texas is a non-disclosure state, where buyers and sellers don't have to disclose a purchase price, inhibiting data collection, reported CoStar.

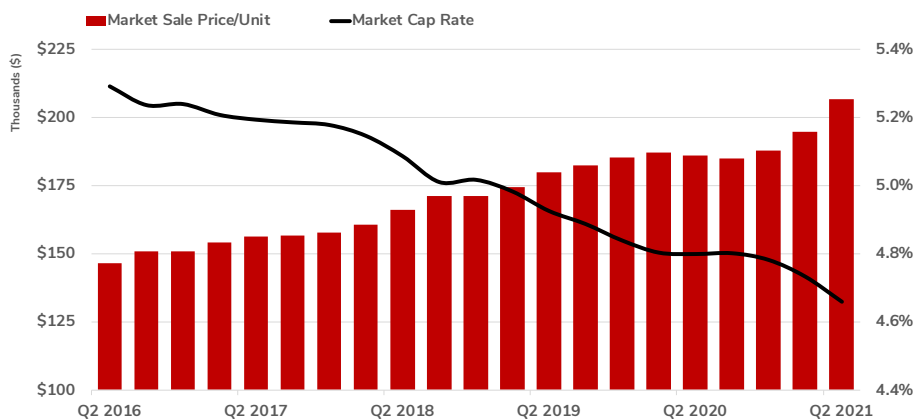
#### MARKET INDICATORS

	Austin Market		National Index	
Market Sale Price/Unit	\$210,000	▲	\$221,000	▲
12 Mo Asking Sale Price/Unit	\$161,000	▲	\$170,000	▲
Market Cap Rate	4.6%	▼	5.4%	▼
12 Mo Sales Volume	\$1.4B	▼	\$143B	▲
12 Mo Transactions	141	▲	18,501	▼
For Sale Listings	8	▲	5,354	▲

#### SUPPLY & DEMAND



#### MARKET SALES PRICE & CAP RATE



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