



MARKET AT A GLANCE



OCCUPANCY RATE **94.2%**
Up **40 bps** since 1Q18



EFFECTIVE RENT **\$1,301**
Up **4.4%** since 1Q18

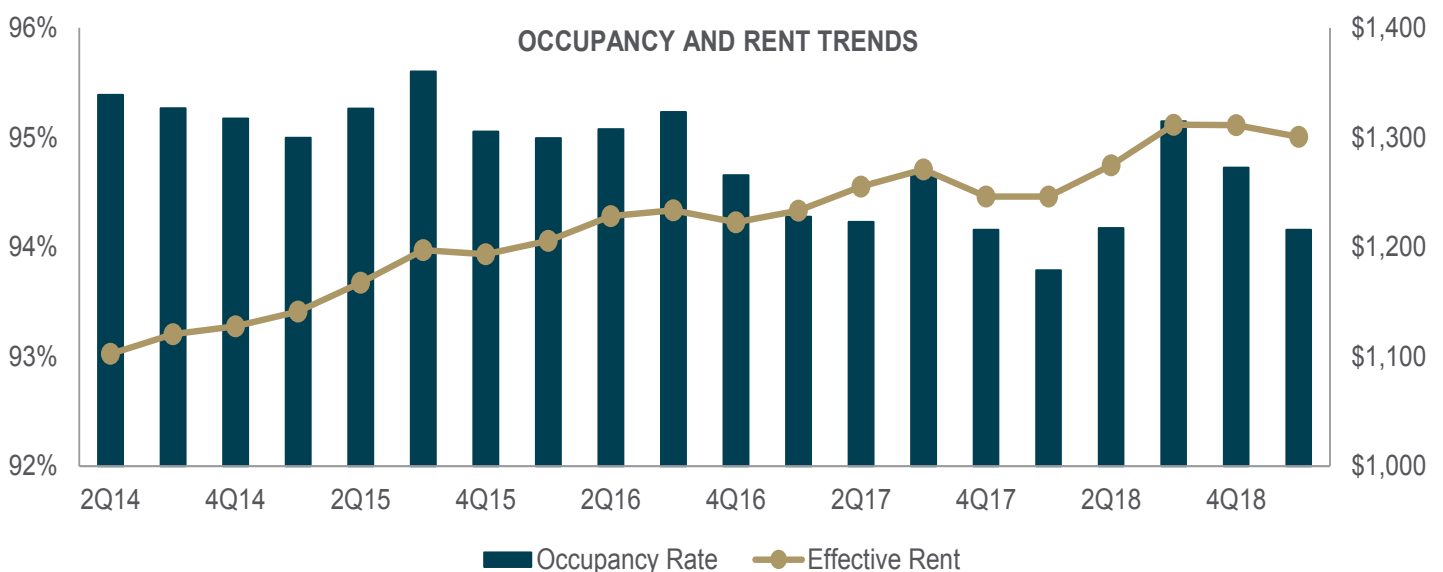


TOTAL INVENTORY **250,196**

OCCUPANCY AND RENT TRENDS

APARTMENT FUNDAMENTALS BOOSTED BY THRIVING ECONOMY IN AUSTIN

An expanding population and growing workforce underpinned healthy apartment fundamentals in the Austin metropolitan area. While current and new residents of Greater Austin sought housing, demand for apartment exceeded deliveries during the last year. Apartment additions were spread throughout the metro, with a significant share added in the Southwest Austin submarket. Developers ramped up activity in the area in recent years, including work on mixed-use projects. These developments, along with strong employer presence in the submarket and neighboring areas, led to a metro-leading 1,446 net units absorbed in Southwest Austin during the last four quarters. Demand outpaced the 1,311 market-rate apartments that came online at the same time, leading to occupancy rising 140 basis points annually to 93.9% in the first quarter of 2019. The submarket trend was reflected in the metro, where average apartment occupancy elevated 40 basis points annually to 94.2%. Operators capitalized on the rise in occupancy by accelerating rent growth. After expanding 1.0% in the preceding year, metrowide effective rent advanced 4.4% over the last four quarters to reach an average of \$1,301 per month in March of 2019.



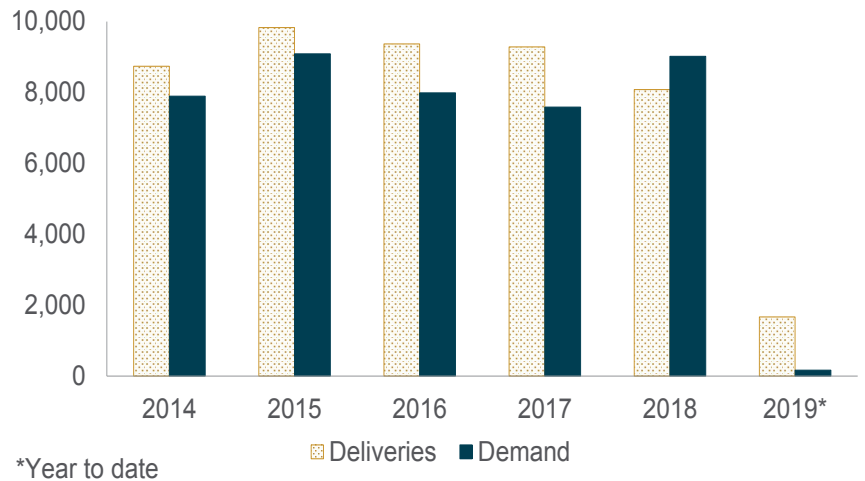
DELIVERIES AND DEMAND



DELIVERIES 1,668
Units YTD



NET ABSORPTION 167
Units YTD



ECONOMIC TRENDS

2018 **UNEMPLOYMENT*** 2.9% **10 BPS CHANGE** 2019 3.0%

2018 **EMPLOYMENT*** 1.05m **2.4% CHANGE** 2019 1.08m

2018 **EXISTING SFH SALES**** 34.3k **-7.6% CHANGE** 2019 31.7k

2018 **MEDIAN SFH PRICE**** \$308.0k **4.2% CHANGE** 2019 \$320.8k

2018 **10-YEAR TREASURY**** 2.84% **-30 BPS CHANGE** 2019 2.57%

*January; **March

Austin's draw for developers and renters was underpinned by robust job growth, as the metro continued to outperform the nation. Total nonfarm employment expanded 2.4% annually through January 2019, compared to the 1.9% national average increase at the same time. Not only were the positions created plentiful in Austin, the new jobs were high quality. The 7,400 additions in the professional and business services sector since January 2018 led the metro. The white-collar segment was also boosted by more than 4,400 personnel recruited among the financial activities and information sectors. Part of the additions came with expanded presence of technology companies, including Indeed.com hiring to more than double its workforce in the Far West Austin and the Downtown/University submarkets over the upcoming years. The future of the information industry in Austin remains positive, as Apple announced in December a new \$1 billion, 133-acre campus that will create 5,000 new jobs and help drive demand for housing in the Northwest Austin and neighboring submarkets.



AUSTIN

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q19	ANNUAL	1Q19	ANNUAL
Arboretum	93.9%	95.2%	-2.1%	4.6%	\$1,086	\$1,136	-40	131	0	0
Cedar Park	92.9%	94.2%	-0.5%	4.1%	\$1,119	\$1,165	-25	721	81	598
Downtown/University	94.4%	94.8%	6.4%	3.2%	\$2,245	\$2,317	-123	112	28	28
East Austin	94.4%	93.8%	3.2%	6.9%	\$1,225	\$1,310	162	645	292	787
Far South Austin	93.9%	94.3%	-1.9%	4.0%	\$1,113	\$1,158	-48	370	0	325
Far West Austin	94.2%	93.5%	-3.7%	3.6%	\$1,101	\$1,141	81	119	156	208
Near North Austin	94.5%	95.0%	-0.3%	3.9%	\$1,267	\$1,316	34	490	124	444
North Central Austin	94.4%	94.3%	0.9%	4.8%	\$1,022	\$1,071	151	670	337	740
Northwest Austin	93.9%	94.1%	-2.3%	5.7%	\$1,101	\$1,164	-41	96	0	73
Pflugerville/Wells Branch	93.5%	93.4%	-2.3%	3.1%	\$1,062	\$1,095	-65	856	78	930
Riverside	92.9%	94.2%	2.8%	6.7%	\$1,163	\$1,241	134	501	265	265
Round Rock/Georgetown	94.1%	94.0%	-1.4%	3.3%	\$1,094	\$1,130	38	577	79	632
San Marcos	93.8%	93.7%	3.0%	2.5%	\$1,017	\$1,042	-85	498	32	546
South Austin	92.9%	94.1%	3.9%	5.4%	\$1,496	\$1,577	-46	183	0	0
Southeast Austin	93.9%	93.6%	-1.3%	9.1%	\$1,034	\$1,128	-43	323	0	372
Southwest Austin	92.5%	93.9%	3.5%	5.0%	\$1,340	\$1,407	85	1,446	196	1,311
TOTALS	93.8%	94.2%	1.0%	4.4%	\$1,246	\$1,301	167	7,737	1,668	7,259



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