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AUSTIN

MULTIFAMILY MARKET REPORT | MID-YEAR

2025

SELECT MARKET

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Jobs Added / Lost

LAST 12 MONTHS
20,200

1.5% YOY

Unemployment

JUNE 2025
3.5%

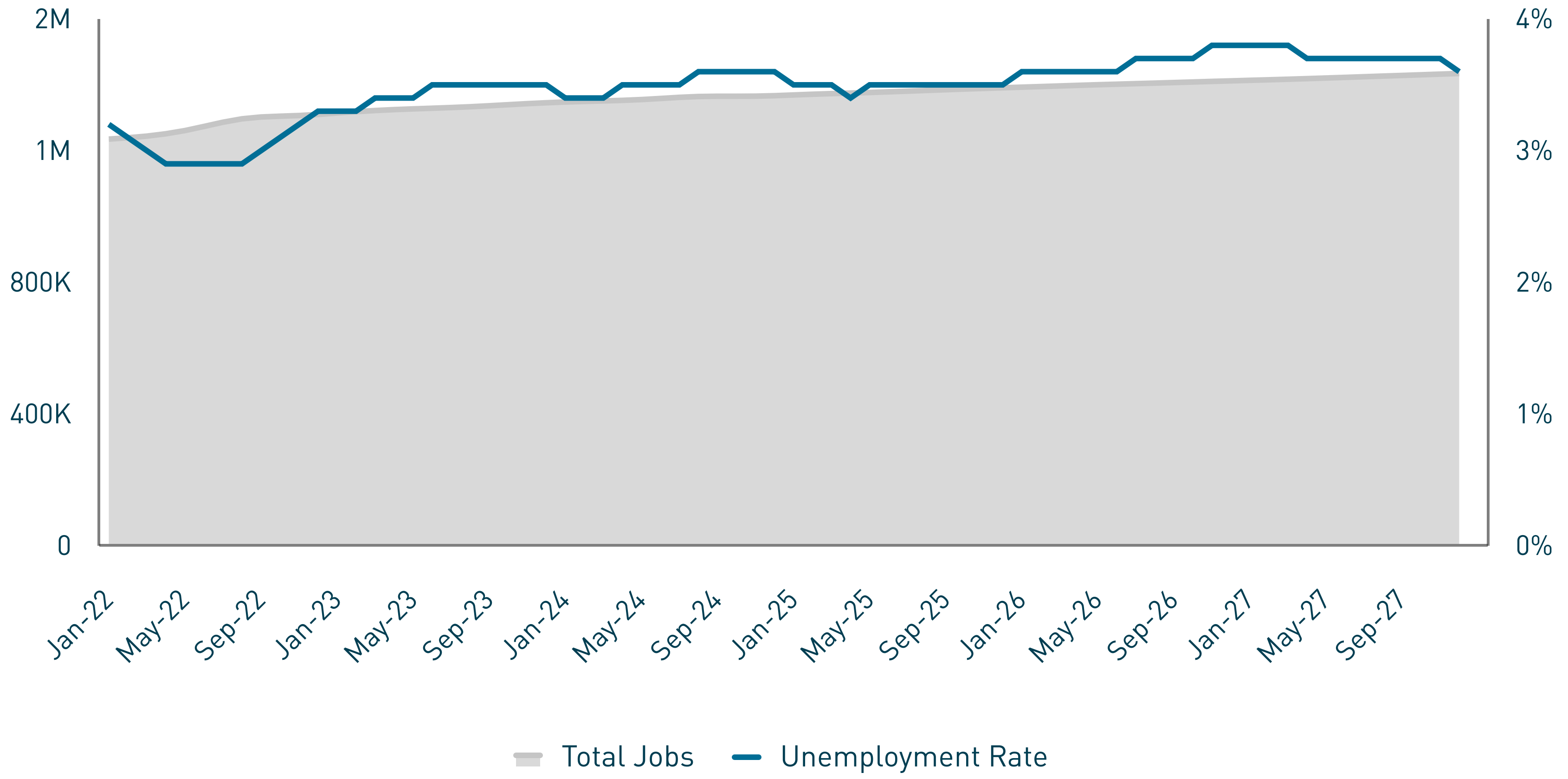
0 BPS YOY

Employment

Austin's continued population growth, especially in the eastern and northern parts of the metro area, has contributed to the successful expansion of major healthcare providers in recent years. As a result, private education and healthcare companies led the market with 5,800 net new jobs over the last year. For example, Baylor Scott and White partially completed their $200 million expansion in Round Rock that doubled the existing bed capacity at their Williamson Medical Center. Baylor Scott and White officials reported that nearly 4,000 people move to Williamson county daily, necessitating expansion to accommodate growth. Over 40,000 net new residents are projected to make Austin their home in 2025, and other care networks, such as Central Health and Ascension, are following suit to prepare for increased demand.

These projects will fuel job growth in this sector for the rest of the year as many projects are scheduled to finish construction in 2026. Austin was recently named as the best city to start a business in 2025, with over 80 corporate headquarters announced between 2018 and 2024. The metro's competitive labor market and low cost of doing business fueled growth in the professional and business services and financial sectors, which created a combined 6,000 new jobs between June 2024 and 2025. Overall, total nonfarm employment grew by 20,200 net jobs at the same time.

Employment Trends



Source: Moody's Analytics

In the News

$500M The District breaks ground in Round Rock
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Million Air investing $60M to double AUS presence
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$40M San Marcus hotel moving forward
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Deliveries & Absorption

2025 Year to Date

DELIVERIES
9,550 UNITS

ABSORPTION
12,453 UNITS

2025 Total*

DELIVERIES
16,196 UNITS

ABSORPTION
21,828 UNITS

**Projected*

Apartment demand outweighed supply in the first half of 2025, as the metro's pipeline slowed from the peak levels in 2024. Over the first six months of 2025, renters newly occupied 12,453 net units, up 12.8% year over year, marking the second-highest net absorption during this period since 1996. At the same time, developers completed 9,550 multifamily units. While high demand levels are certainly attributable to job and population growth over the past year, those two metrics cannot account for the vast increase in apartment demand over 2024. Additionally, single-family home prices were flat year over year, and the number of sales and available inventory only marginally increased between the first halves of 2024 and 2025.

The only variable that shifted enough to merit 10 of 17 submarkets posting year-over-year increases in net absorption was a higher prevalence of multifamily rent concessions, which favorably coincided with a period of increased economic uncertainty that is common during an election year. These higher concessions lessened the burden of housing costs in a market that was once the most expensive in Texas. Renters capitalized on the amount of new amenity rich units in submarkets with new supply. For example, East Austin led the metro in net absorption with 1,723 net move-ins, up 16.7% from the prior year, after builders brought the second-highest number of new units online through midyear.

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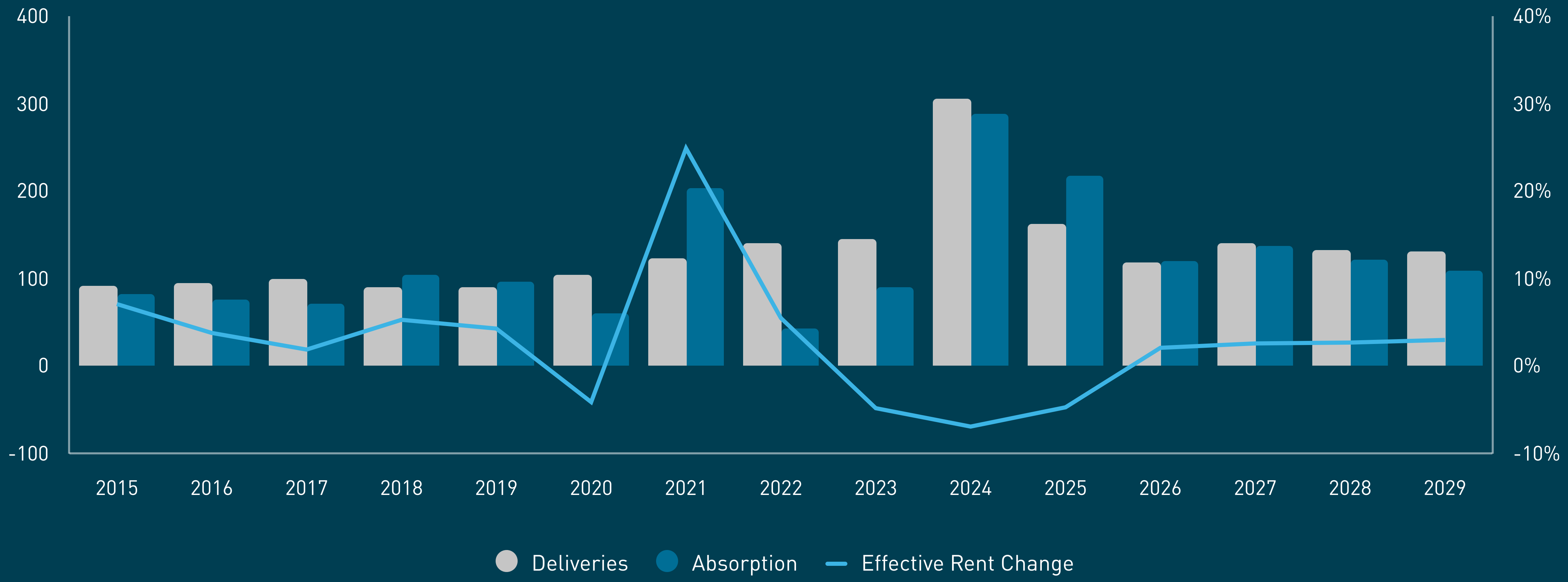
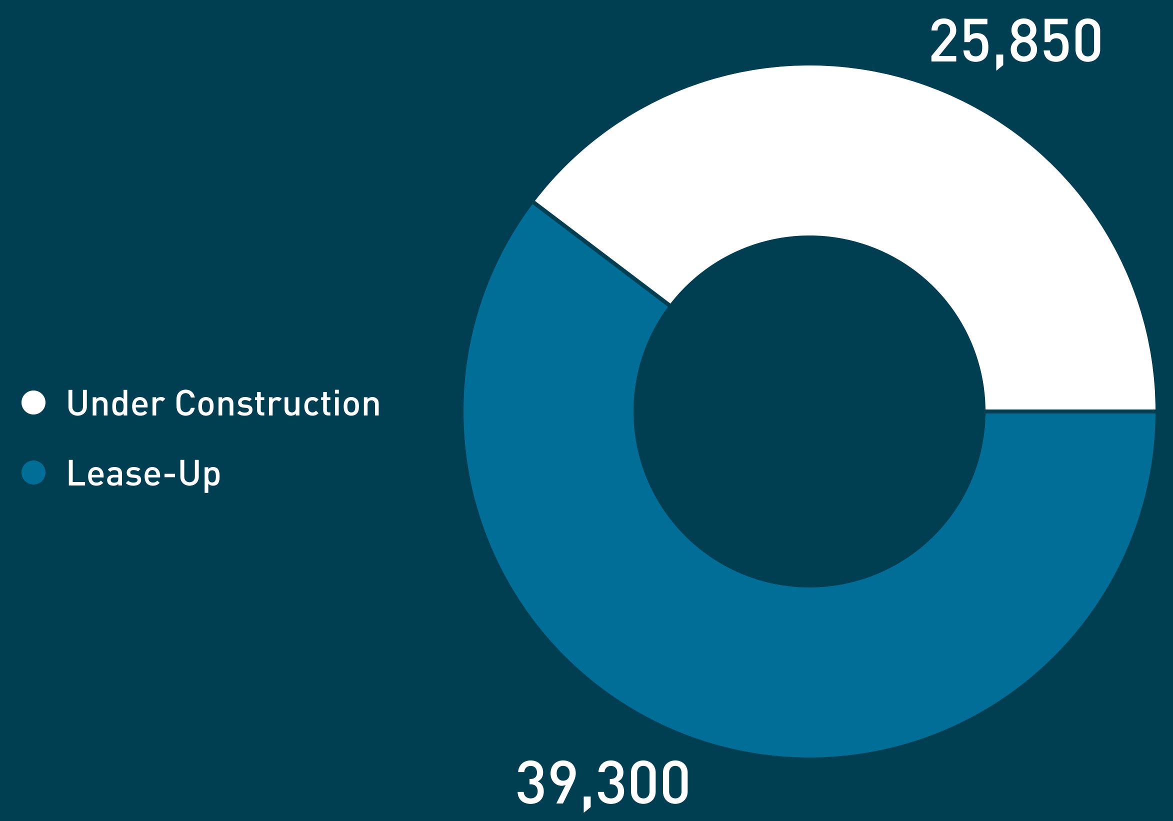
Deliveries, Absorption, & Effective Rent Change



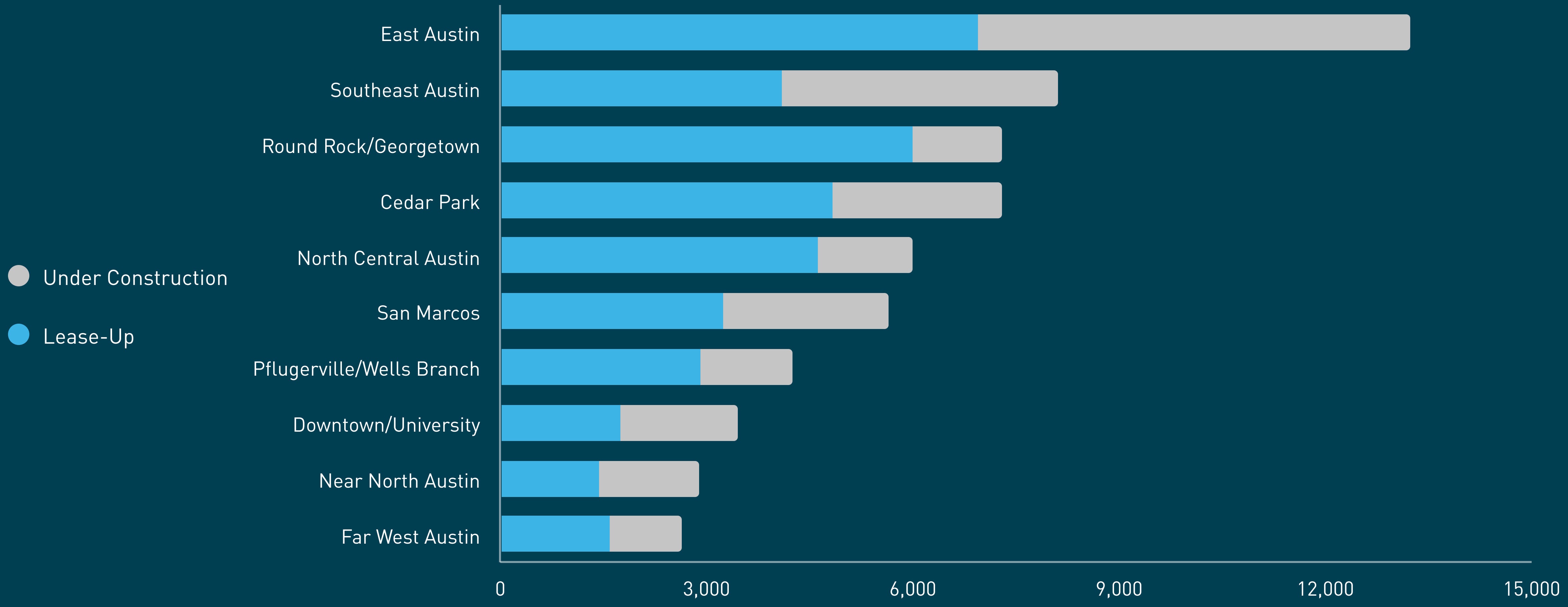
Source: RealPage

Austin Pipeline



Sources: Austin Investor Interests; MRI Apartment Data

Largest Submarket Pipelines



Sources: Austin Investor Interests; MRI Apartment Data

Effective Rent

Q2 2025

$1,453

6.5% YOY

Occupancy

Q2 2025

93.9%

170 BPS YOY

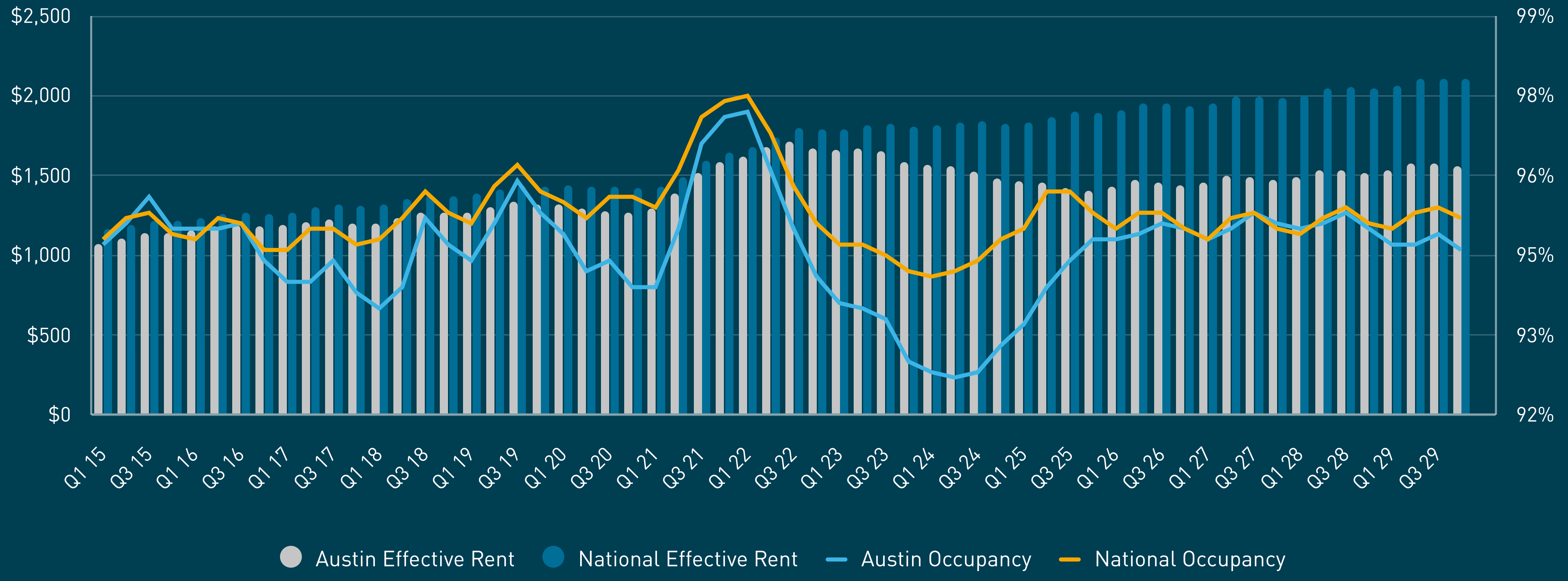
Rent & Occupancy

At the end of 2024, Austin was no longer the most expensive rental market in Texas, falling second to Dallas-Fort Worth for the first time in over 20 years. A strategic move by Metro Austin's apartment operators increased both the value and prevalence of concessions in the wake of a new supply peak, cutting the effective rent rate. This resulted in a leasing frenzy, leading to a major uptick in absorption during 2024, thus effectively buoying the market's occupancy rate. Apartment operators saw fit to continue increasing concessions during the first half of 2025. As of the second quarter, 40.5% of apartment units offered concessions – for comparison, the U.S. average was 19.9%. Additionally, at $122 compared to $107 nationwide, Austin had a higher average concession value.

This decision produced a year-over-year reduction in the monthly effective rent, which stood at $1,453 in the second quarter. However, renters responded to lower rates with enthusiasm, increasing the number of net move-ins over the prior year, and bumping occupancy up 170 basis points annually to 93.9%. Though high concessions will continue to dimmish rent for the rest of 2025, the market should end the year with the average occupancy rate at 94.8%, 200 basis points higher than the year prior. Additionally, the market is projected to resume annual rent gains by the end of 2026.

Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Austin vs. National Effective Rent & Occupancy



Source: RealPage

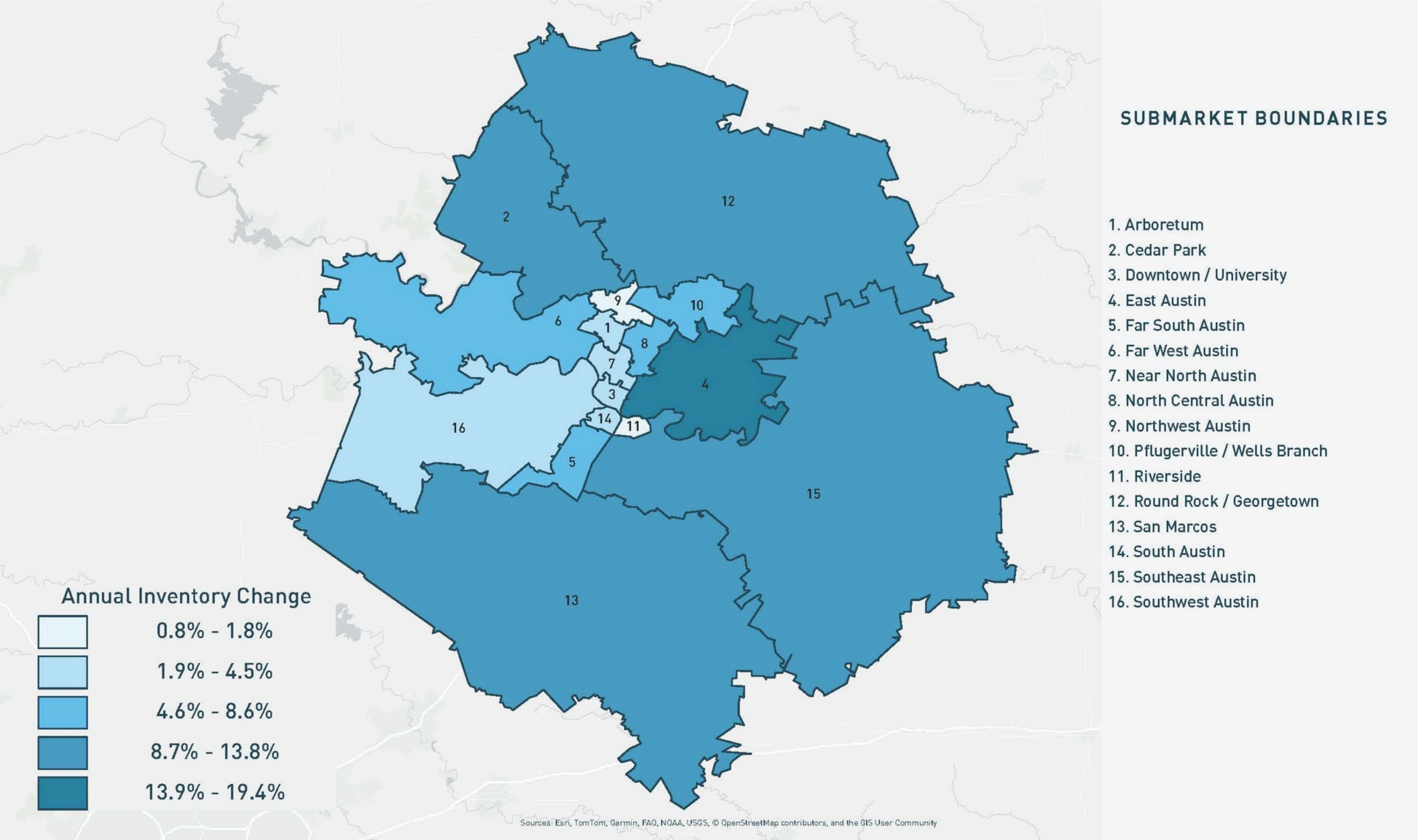
Rent & Occupancy

Submarket Performance

Submarket Name	Q2 25 Occupancy	YOY (BPS)	Q2 25 Effective Rent	YOY
Arboretum	95.2%	220	$1,311	-6.6%
Cedar Park	94.0%	90	$1,360	-9.7%
Downtown/University	95.8%	390	$2,701	3.3%
East Austin	93.3%	160	$1,590	-4.3%
Far South Austin	93.4%	150	$1,356	-7.1%
Far West Austin	93.4%	190	$1,349	-7.8%
Near North Austin	94.0%	200	$1,464	-4.9%
North Central Austin	93.9%	150	$1,372	-7.5%
Northwest Austin	93.8%	140	$1,326	-10.7%
Pflugerville/Wells Branch	93.3%	90	$1,275	-8.8%
Riverside	92.6%	210	$1,352	-7.7%
Round Rock/Georgetown	93.3%	80	$1,379	-7.3%
San Marcos	94.1%	210	$1,309	-4.0%
South Austin	94.9%	220	$1,822	-4.0%
Southeast Austin	94.6%	310	$1,302	-6.7%
Southwest Austin	94.9%	160	$1,592	-5.2%

Source: RealPage

Submarket Mid-Year 2025 Annual Inventory Change



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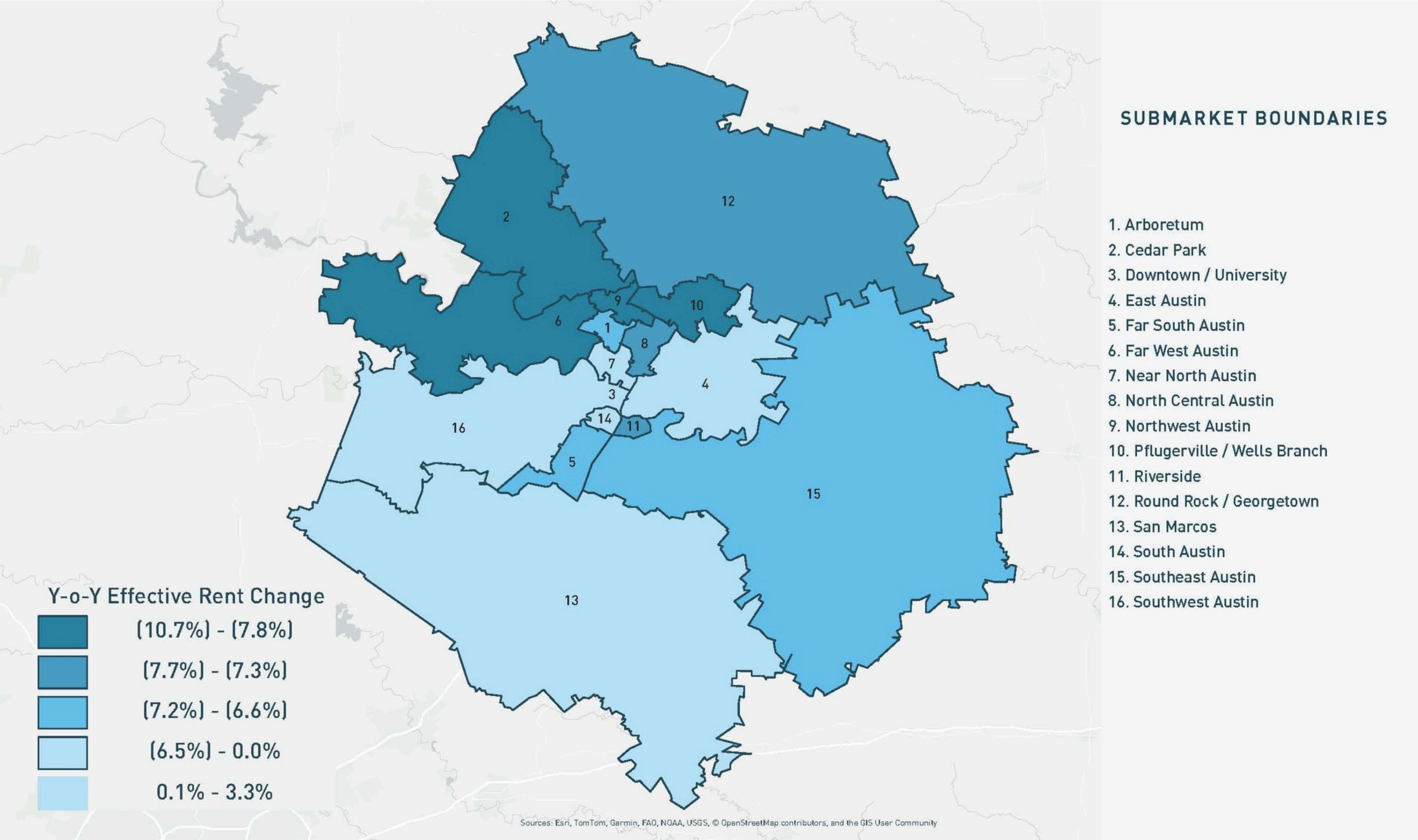
Submarket Mid-Year 2025 Annual Effective Rent Change



Source: RealPage

Sales

2025 Year to Date*		What's Trading?*	
Volume $750.6M	**Price Per Unit (Avg)** $199,906	**Units (Avg)** 379	**Year Built (Avg)** 2010s
Transactions 11	**Cap Rate (Avg)** N/A	**Buildings (Avg)** 17	**Acres (Avg)** 24.42

$30M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research

Sales

Top Buyers*	
Buyer	**Location**
AvalonBay	Arlington, VA
Austin Affordable Housing Corp.	Austin, TX
Myers Apartment Group	West Palm Beach, FL
Daniel F Odea	Austin, TX
Camden Property Trust	Houston, TX

Top Sellers*	
Seller	**Location**
BSR Trust	Little Rock, AR
MIG Real Estate	Newport Beach, CA
MC Companies	Scottsdale, AZ
Strategic HFC	Austin, TX
Cardinal Capital Partners	Dallas, TX

$30M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research

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