

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
9.0% Stabilized Vacancy Rate	▼	▼
17,952 YTD Net Absorption, units	▲	▲
\$1.60 Effective Rent, PSF	▼	—
\$107,600 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.4M Austin Employment	▲	▲
3.7% Austin Unemployment Rate	▲	▲
2.2% Austin Household Growth Rate		
0.5% U.S. Household Growth Rate YOY		

SUPPLY AND DEMAND

Austin’s multifamily market closed the third quarter with supply pressure continuing to recede and leasing velocity holding firm. Units under construction totaled 13,543, down 32.0% year-over-year (YOY) and 12.7% quarter-over-quarter (QOQ) as the development pipeline continued to normalize. Deliveries reached 5,245 units, roughly double the second-quarter total, bringing year-to-date (YTD) completions to 10,370 units, 27.6% below the same period of 2025. Eight submarkets had no units under construction, positioning those areas to benefit from favorable supply-demand dynamics as existing inventory faces limited future competitive pressure.

Demand remained resilient. Net absorption totaled 6,585 units in Q3, 12.9% above the Q3 2025 level and 1,340 units more than new deliveries. This lifted YTD absorption to 17,952 units, 5.1% ahead of the prior-year pace and 1.7 times YTD completions. Leasing was broad-based, led by Northeast Austin, Pflugerville, Southeast Austin, and Georgetown-Leander, each of which absorbed more than 1,100 units YTD, reflecting the metro’s sustained appeal to renter households.

Market vacancy compressed to 9.0%, down 80 basis points (bps) QOQ and 100 bps YOY, its lowest level since Q2 2024 and 165 bps below the Q1 2026 peak. The improvement was widespread, with 17 of 22 submarkets posting YOY vacancy declines, led by Central Austin, San Marcos, and South Central Austin, each down at least 250 bps. Vacancy eased for a second consecutive quarter, as demand exceeded new supply in every quarter of 2026, reinforcing the market's ongoing rebalancing.

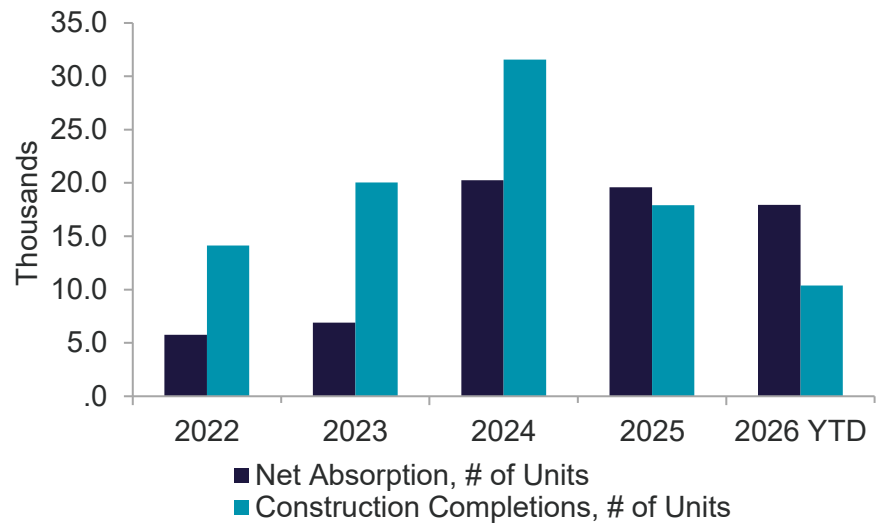
PRICING

Pricing continued to firm as improving occupancy supported leasing conditions. Effective rents averaged \$1,415 per unit and \$1.60 per square foot, with the YOY decline narrowing to 1.9%, the smallest since rent growth turned negative in Q2 2023. Strength broadened across the metro, with nine of 22 submarkets recording positive YOY effective rent growth, led by South Central Austin, Lake Travis, and Georgetown-Leander. Moderating deliveries and sustained absorption continued to support pricing conditions, positioning the market for a return to positive rent growth as supply pressures recede.

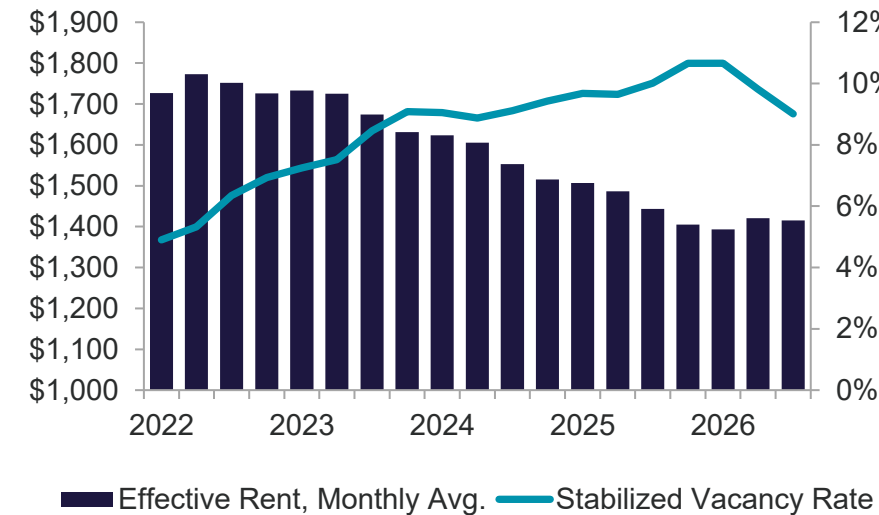
INVESTMENT SALES

Investment activity strengthened through the first three quarters of 2026, reflecting sustained investor confidence in Austin’s long-term growth profile. YTD, the market recorded 36 transactions totaling 10,602 units, increases of 12.5% and 18.3%, respectively, versus the same period in 2025. Investors increasingly underwrote the recovery taking shape across the metro, as deliveries moved well below their 2024 peak and positive rent growth spread across submarkets. That conviction attracted additional capital to the market and deepened liquidity as the supply cycle matured.

DEMAND / DELIVERIES



STABILIZED VACANCY & EFFECTIVE RENT



Source: BLS, BOC, Moody's Analytics, CoStar, Cushman & Wakefield Research

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	STABILIZED VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Bastrop County	2,010	250	14.2%	310	388	5.1%	-150	\$1,335	\$1.45	-1.7%
Buda-Kyle	11,198	136	1.2%	1,021	486	10.4%	140	\$1,249	\$1.33	-6.7%
Downtown Austin	9,736	775	8.6%	0	763	6.8%	0	\$3,560	\$3.67	0.2%
Cedar Park	16,145	336	2.1%	0	922	6.9%	-150	\$1,288	\$1.40	-1.6%
East Austin	18,198	290	1.6%	2,473	899	8.3%	-60	\$1,724	\$2.11	1.5%
Far North Austin	4,154	336	8.8%	0	716	11.6%	460	\$1,367	\$1.40	-4.1%
Georgetown-Leander	17,398	0	0.0%	574	1,163	8.6%	-220	\$1,356	\$1.36	3.0%
Lake Travis	3,974	0	0.0%	0	275	5.2%	-150	\$1,743	\$1.60	3.3%
Midtown Austin	14,722	905	6.5%	791	769	9.3%	-170	\$1,541	\$1.91	0.1%
North Austin	31,348	345	1.1%	1,512	884	11.0%	-40	\$1,262	\$1.58	-5.8%
Northeast Austin	20,536	2,009	10.8%	1,340	2,434	11.6%	-60	\$1,209	\$1.34	-7.3%
Northwest Austin	34,994	0	0.0%	1,013	890	8.3%	-150	\$1,202	\$1.36	-3.9%
Pflugerville	24,239	444	1.9%	491	1,312	9.9%	-180	\$1,222	\$1.34	-4.6%
Riverside	18,744	298	1.6%	0	778	8.5%	-190	\$1,307	\$1.61	-1.6%
Round Rock	21,384	217	1.0%	0	667	8.4%	-150	\$1,343	\$1.42	1.4%
San Marcos	11,307	1,139	11.2%	1,466	1,067	12.5%	-260	\$1,186	\$1.35	-5.6%
South Austin	21,809	823	3.9%	240	872	8.5%	-20	\$1,310	\$1.53	-1.2%
South Central Austin	12,105	0	0.0%	572	531	7.0%	-250	\$1,762	\$2.17	4.2%
Southeast Austin	16,643	1,496	9.9%	1,071	1,305	12.2%	160	\$1,231	\$1.37	-5.7%
Southwest Austin	14,104	403	2.9%	669	702	5.8%	-130	\$1,639	\$1.70	0.2%
Central Austin	1,876	0	0.0%	0	39	4.1%	-280	\$1,765	\$2.30	1.6%
West Austin	1,361	168	14.1%	0	90	5.6%	0	\$2,088	\$2.51	-0.6%
TOTAL MARKET	327,985	10,370	3.3%	13,543	17,952	9.0%	-100	\$1,415	\$1.60	-1.9%

KEY RECENT SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER BUYER	UNITS	YEAR BUILT
Beck at Wells Branch	Pflugerville	American Landmark Providence Mgmt Company	576	1999
Avalon Hill Country	Lake Travis	AvalonBay Communities Equity Residential	554	2014
The Parker	Pflugerville	JEM Holdings Raith Capital Partners	504	2022
The Aidan Apartments	Buda-Kyle	Lauren Company Strategic Property Investment	396	2011

CONSTRUCTION PIPELINE HIGHLIGHTS

PROPERTY	SUBMARKET	OWNER/DEVELOPER	UNITS	EST DELIVERY
Colony Park Apartments	Northeast Austin	Catellus Development Corporation	831	Q4 2027
AMLI Park Central	East Austin	AMLI Residential	650	Q2 2027
Granada Ridge	Southwest Austin	The Carroll Companies	550	Q1 2027
Millie at The Hangar	Midtown Austin	SECO Ventures	499	Q1 2027

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