

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
9.9% Stabilized Vacancy Rate	▲	▼
12.2K YTD Net Absorption, units	▲	▲
\$1.72 Effective Rent, PSF	▼	▲
\$102,700 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.4M Austin Employment	▲	▲
3.4% Austin Unemployment Rate	▼	▲
2.8% Austin Household Growth Rate YOY	▲	▲
0.9% U.S. Household Growth Rate YOY	▲	▲

ECONOMY

Despite national headwinds, Austin’s economy remained strong. Over the past year, the metro added over 22,000 jobs. This was an increase of 1.6% year-over-year (YOY), ranking it among the top-performing large U.S. markets in YOY growth. The unemployment rate remained low at 3.4% at quarter-end, outperforming the national average of 4.2%.

SUPPLY AND DEMAND

The Austin multifamily market remained active in Q2 2025, with fundamentals showing signs of stabilization and healthy demand. Stabilized vacancy held steady at 9.9%, reflecting minimal change from the previous quarter and a modest increase from 9.0% YOY. This suggests that while supply pressures persist, demand is keeping pace. Net absorption surged to 7,142 units during the quarter—the highest level since Q2 2021, and more than double the five-year quarterly average. Year-to-date (YTD) absorption reached 12,200 units, positioning the market to potentially surpass 2024’s total of 21,062 units, signaling strong renter demand and leasing activity.

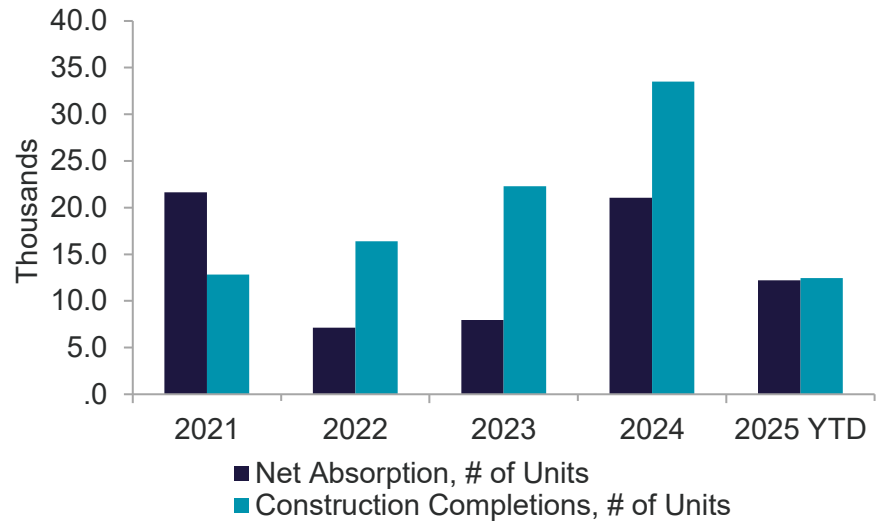
On the supply side, 7,689 units delivered Q2 2025, bringing the YTD total to 12,453 units. While this represents a 26.8% decrease compared to the first half of 2024, it reflects a return to more sustainable construction levels following last year’s record-setting deliveries. The development pipeline continues to moderate, with 22,079 units under construction as of Q2 2025, less than half the volume during Austin’s construction peak in 2023. The current under construction pipeline aligns more closely with historical norms and suggests a more balanced supply outlook moving forward.

Effective rents remained stable at the close of Q2 2025, with the average rent at \$1,535 per unit and \$1.72 per square foot (psf), consistent with trends observed over the past seven quarters. Stability in rents, despite elevated vacancy, underscores the market’s resilience and the strength of underlying demand.

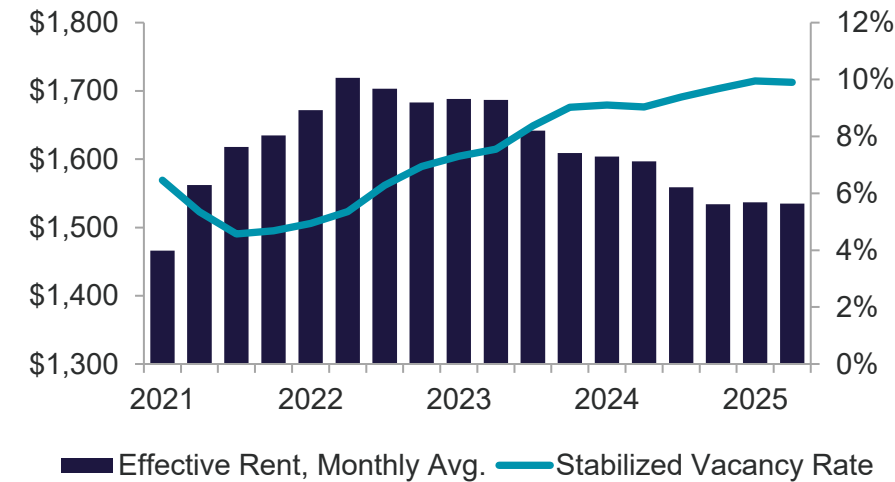
PRICING

Austin’s multifamily capital markets are gaining momentum in 2025, with 16 transactions totaling 4,600 units YTD. The average sales price reached \$92.6M, or \$209K per unit and \$218 psf. Increased activity from public REITs, especially in northern submarkets like Cedar Park, Georgetown/Leander, Pflugerville, and Round Rock, is helping drive this resurgence. As fundamentals stabilize and sellers re-engage, Austin’s strong long-term demand outlook is expected to further accelerate investment activity.

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	1,879	0	0.0%	441	139	6.4%	-106	\$1,442	\$1.61	-2.0%
Buda/Kyle	11,499	0	0.0%	798	660	11.7%	-17	\$1,495	\$1.55	-2.4%
CBD	8,107	0	0.0%	1,278	335	7.7%	-23	\$3,395	\$3.55	2.0%
Cedar Park	16,581	277	1.7%	336	409	9.4%	221	\$1,465	\$1.58	-6.9%
East	20,224	146	0.7%	2,533	1,247	8.8%	-93	\$1,766	\$2.16	-0.9%
Far North	4,297	0	0.0%	612	172	9.6%	499	\$1,518	\$1.55	-6.3%
Georgetown/Leander	17,706	829	4.9%	712	1,306	11.1%	50	\$1,530	\$1.54	-5.0%
Lake Travis	3,558	0	0.0%	502	31	6.7%	-65	\$1,764	\$1.63	-2.2%
Midtown	14,254	274	2.0%	887	537	10.8%	137	\$1,640	\$2.06	-2.3%
North	34,074	215	0.6%	1,120	1,064	9.8%	93	\$1,433	\$1.78	-4.6%
Northeast	25,141	1,414	6.0%	4,683	1,093	11.3%	173	\$1,383	\$1.45	-5.6%
Northwest	36,231	322	0.9%	429	469	9.1%	45	\$1,386	\$1.57	-5.3%
Pflugerville	28,308	0	0.0%	566	1,120	10.6%	101	\$1,411	\$1.50	-6.3%
Riverside	21,390	0	0.0%	699	124	12.1%	179	\$1,404	\$1.72	-5.6%
Round Rock	22,188	0	0.0%	252	1,026	9.3%	170	\$1,462	\$1.54	-4.4%
San Marcos	12,360	313	2.6%	1,347	801	13.9%	142	\$1,271	\$1.42	-5.4%
South	23,745	684	3.0%	998	578	8.0%	53	\$1,399	\$1.64	-5.4%
South Central	13,505	0	0.0%	611	60	8.4%	-41	\$1,776	\$2.18	0.1%
Southeast	20,679	290	1.4%	2,577	804	11.3%	198	\$1,422	\$1.53	-4.2%
Southwest	13,959	0	0.0%	460	195	7.7%	-51	\$1,731	\$1.81	-0.9%
UT/Central	1,956	0	0.0%	0	-1	7.4%	-197	\$1,875	\$2.48	-0.5%
West	1,193	0	0.0%	0	5	6.1%	-297	\$2,186	\$2.63	-1.7%
TOTAL MARKET	352,834	4,764	1.4%	22,079	12,200	9.9%	86	\$1,535	\$1.72	-3.9%

KEY RECENT SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER BUYER	UNITS	YEAR BUILT
Revl on Lamar	Midtown	Barvin Dinerstein Companies	279	2021
Lotus Village	North	One Real Estate Investment Turner Impact Capital	222	2012
Ascent at Quail Creek	North	Arbor Realty Zavala Capital Group	132	1984
Ascent at Walnut Creek	North	Arbor Realty Zavala Capital Group	130	1980

CONSTRUCTION PIPELINE HIGHLIGHTS

PROPERTY	SUBMARKET	OWNER/DEVELOPER	UNITS	EST DELIVERY
Presidium 183	North	Presidium Group	374	Q3 2025
Pearl Beecave	Lake Travis	The Morgan Group	322	Q3 2025
Wixby House	Southeast	Roers Companies	371	Q3 2025
ATX Tower	CBD	Tishman Speyer	369	Q3 2025

JEFF GRAVES
Research Director
Tel: +1 512 474 2400
jeff.graves@cushwake.com

SHERRA GILBERT
Senior Research Manager
Tel: +1 713 260 0282
sherra.gilbert@cushwake.com

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