

# South Central Waterfront TIRZ Market Analysis

Capitol Market Research | Charles Heimsath

November 19, 2018



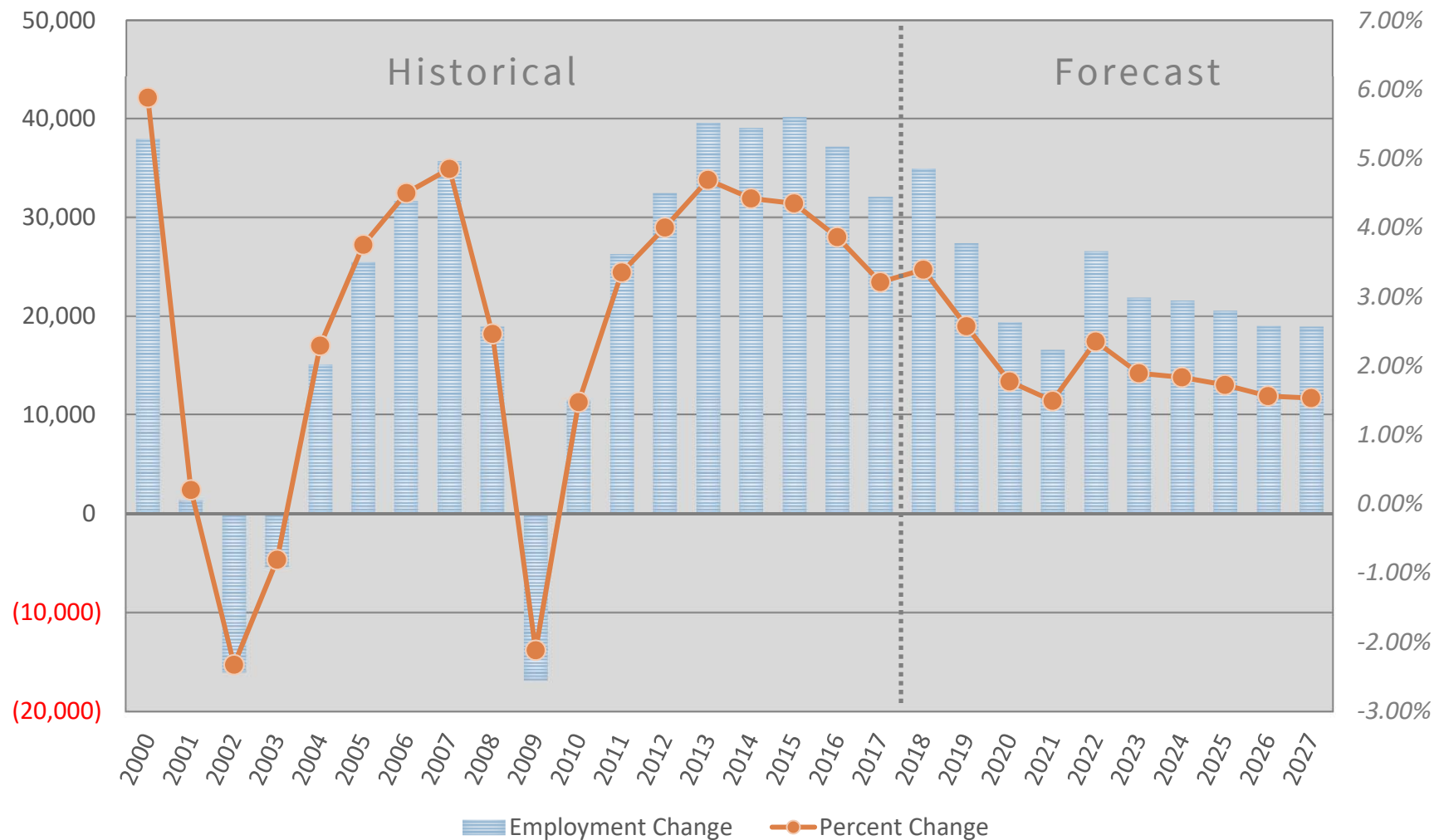
# Austin MSA – Employment Growth

Austin has experienced an average annual job growth rate of **3.66%** since 2010, exceeding the state and national average each year. From 2016 to 2017, Austin saw a **3.20%** growth rate, higher than both the Nation and the State of Texas.



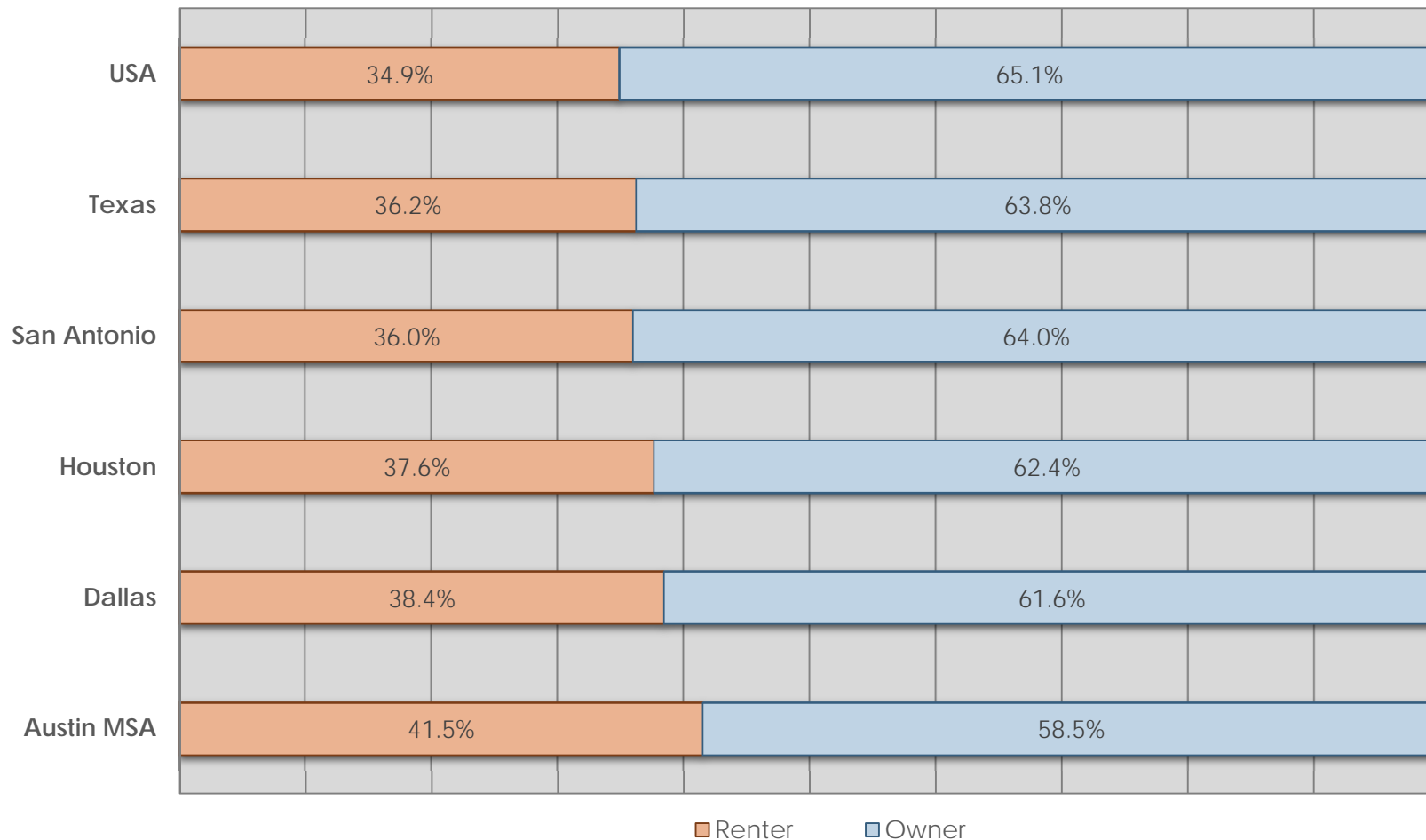
# Austin MSA – Employment Growth

Employment growth has continued its positive trajectory since 2010, and is expected to continue at an annual average of 22,700 jobs from 2018 - 2027 (Moody's).



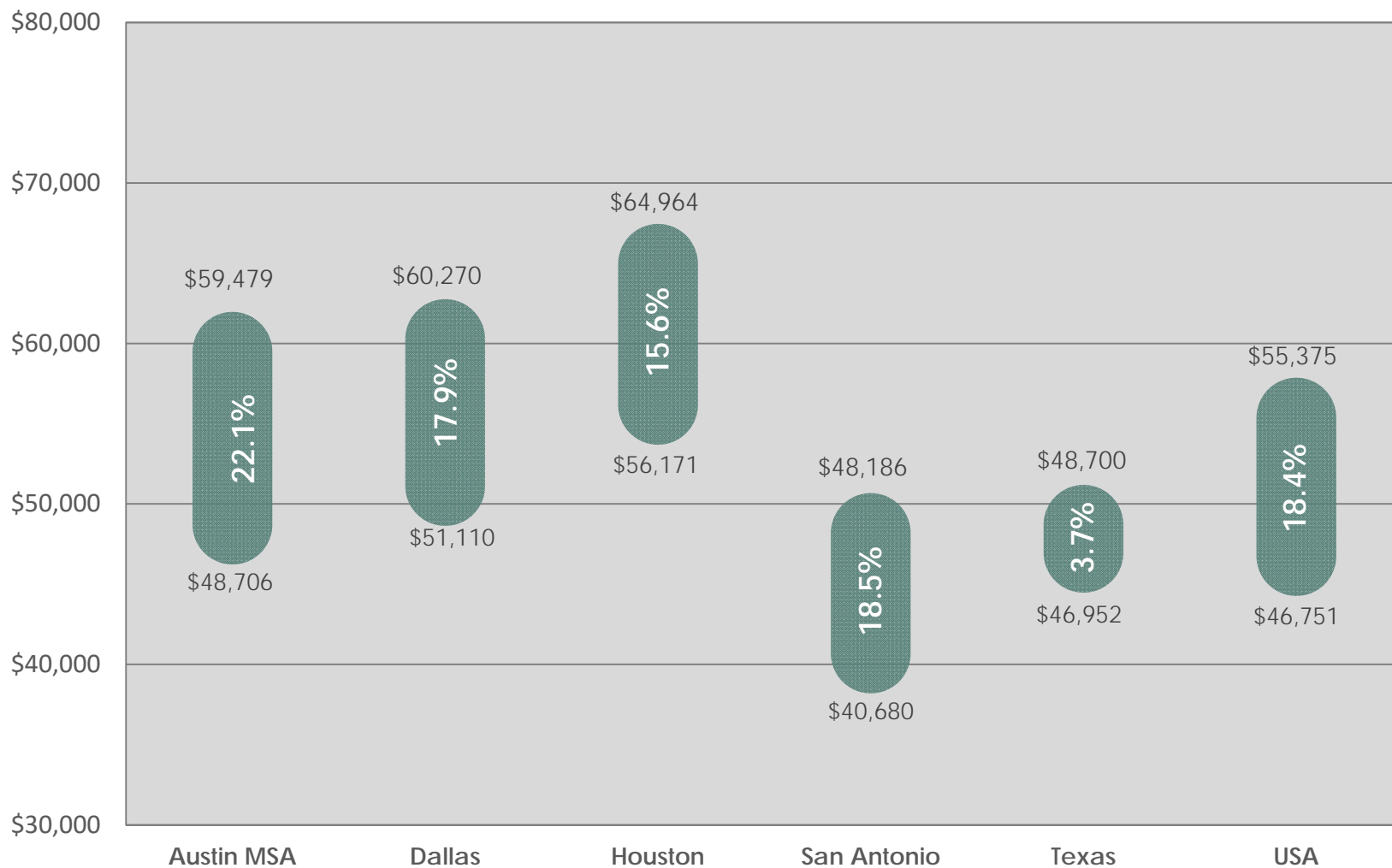
# Austin MSA – Household Tenure

Compared to many areas of Texas, Austin has a higher concentration of renter households.



## Austin MSA – Wage Growth (2010 – 2017)

The Austin MSA has seen a 22.1% increase in wages from 2010 through 2017, this rate is much higher than many other large Texas cities, the State of Texas, and the Nation.



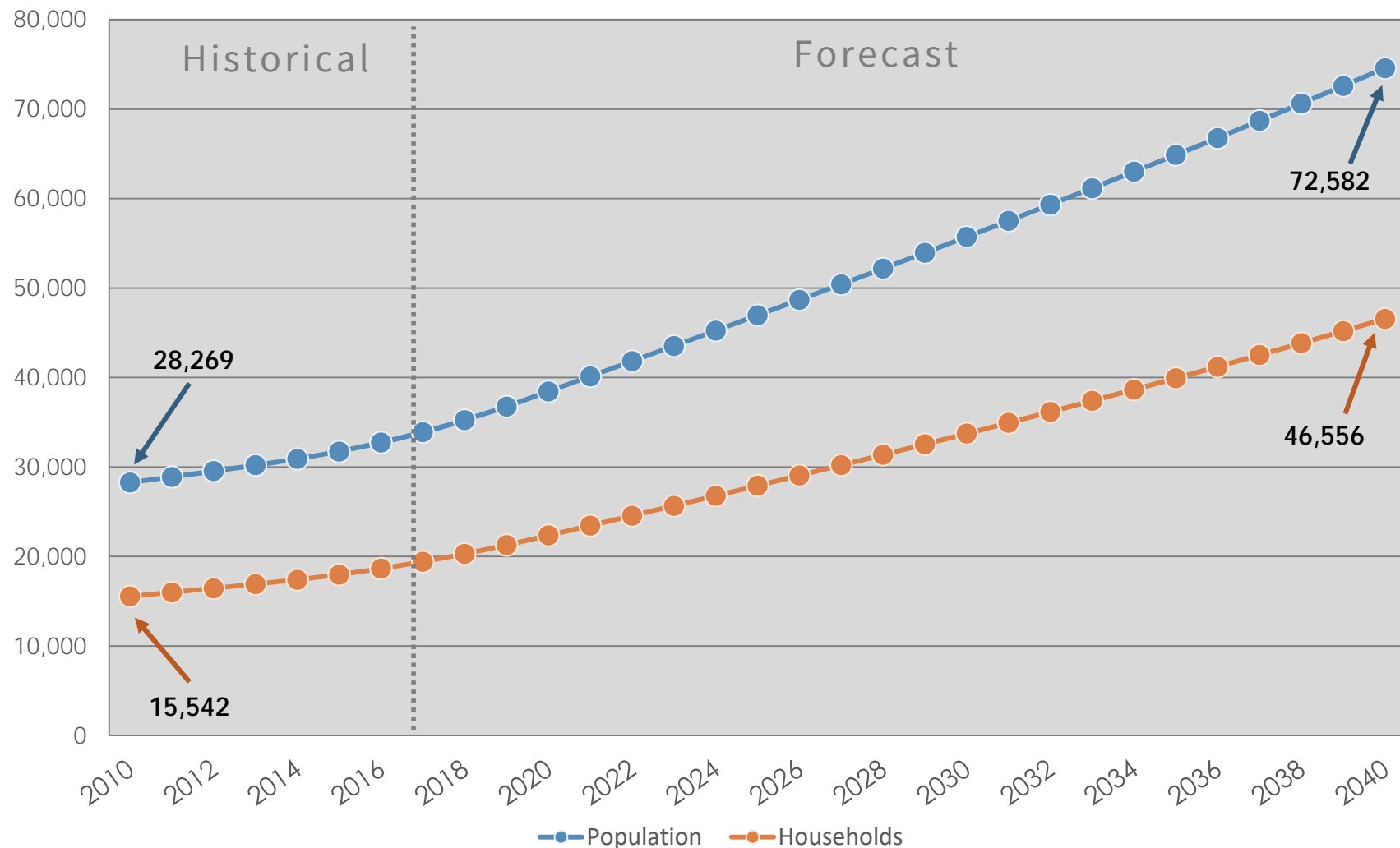
# Downtown & Near South Central Austin Market Area

The market area CMR chose was based on Census Tracts, and includes Downtown Austin south of MLK Jr. Blvd, between Mopac and Interstate 35, as well as South Central Austin between Lady Bird Lake and Oltorf Street.



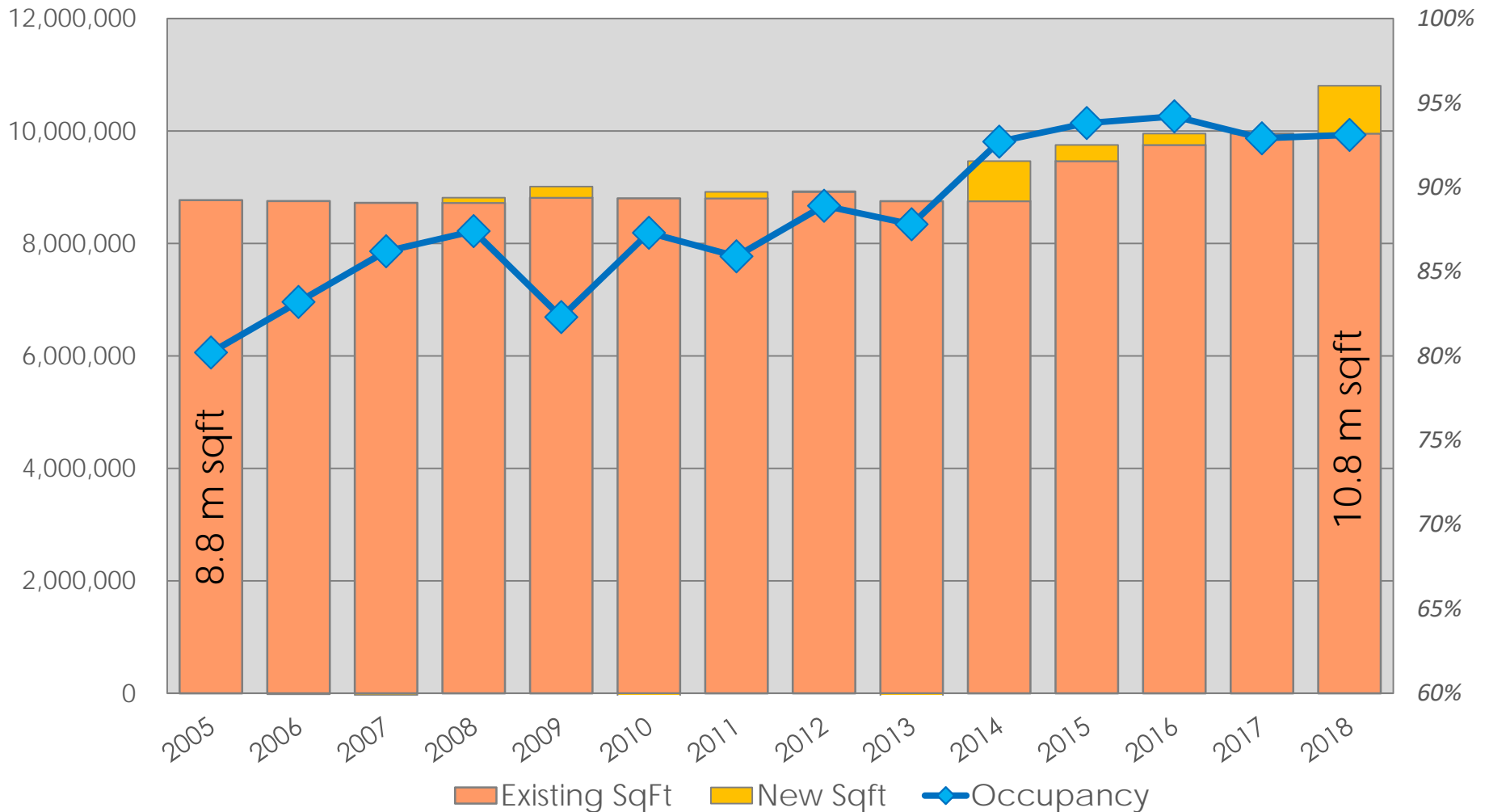
# Market Area – Population & Household Growth

The market area accounted for 1.21% of the growth in the MSA from 2000 through 2014, and is estimated to grow to 72,582 people and 46,556 households by 2040.



## Market Area – Current Office Market

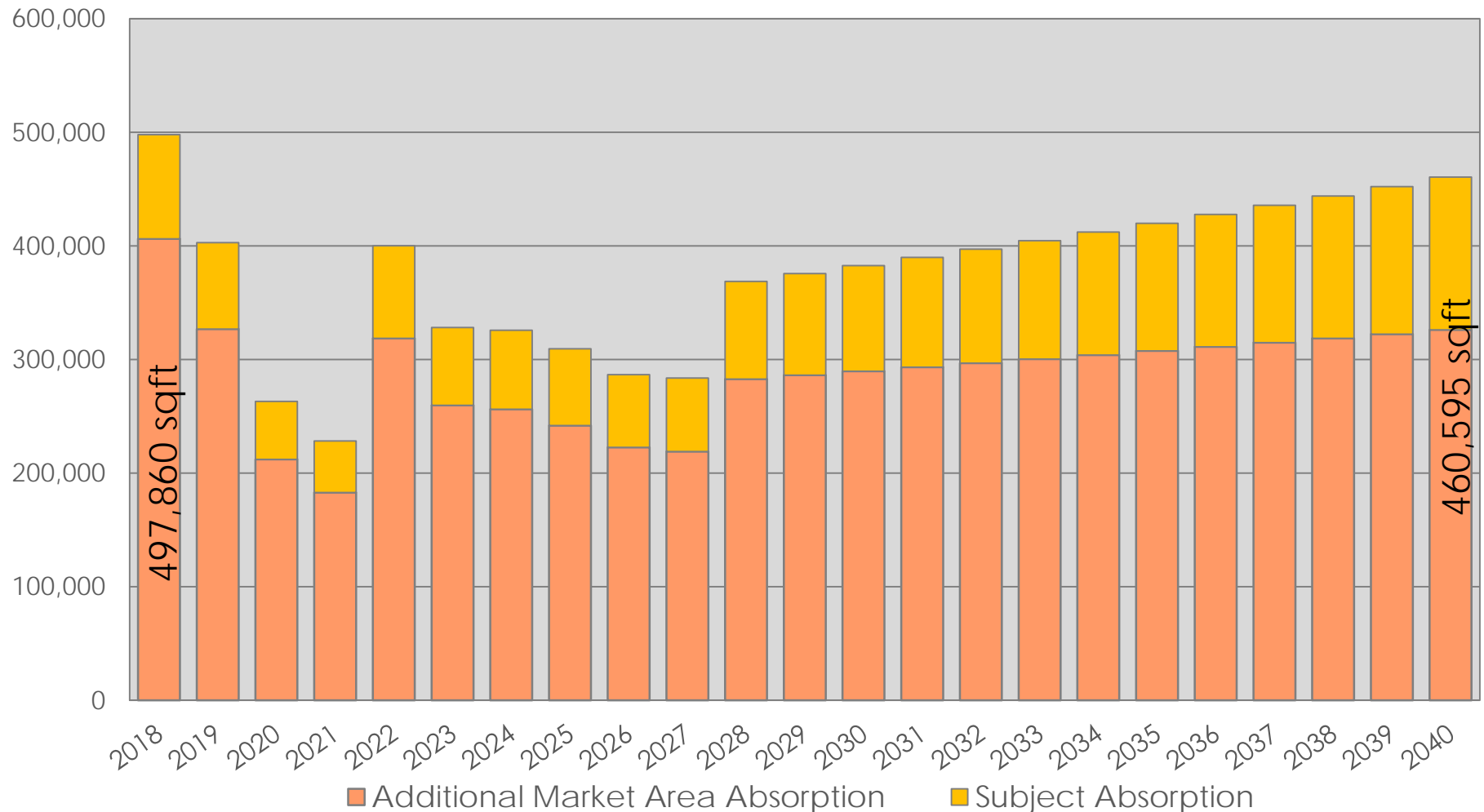
The office market in Downtown & Near South Central Austin has **73** larger multi-tenant buildings. In June 2018, the market area was **93.1%** occupied & had average (gross) rents of **\$54.83** per square foot. Existing inventory has increased **25%** since 2005.





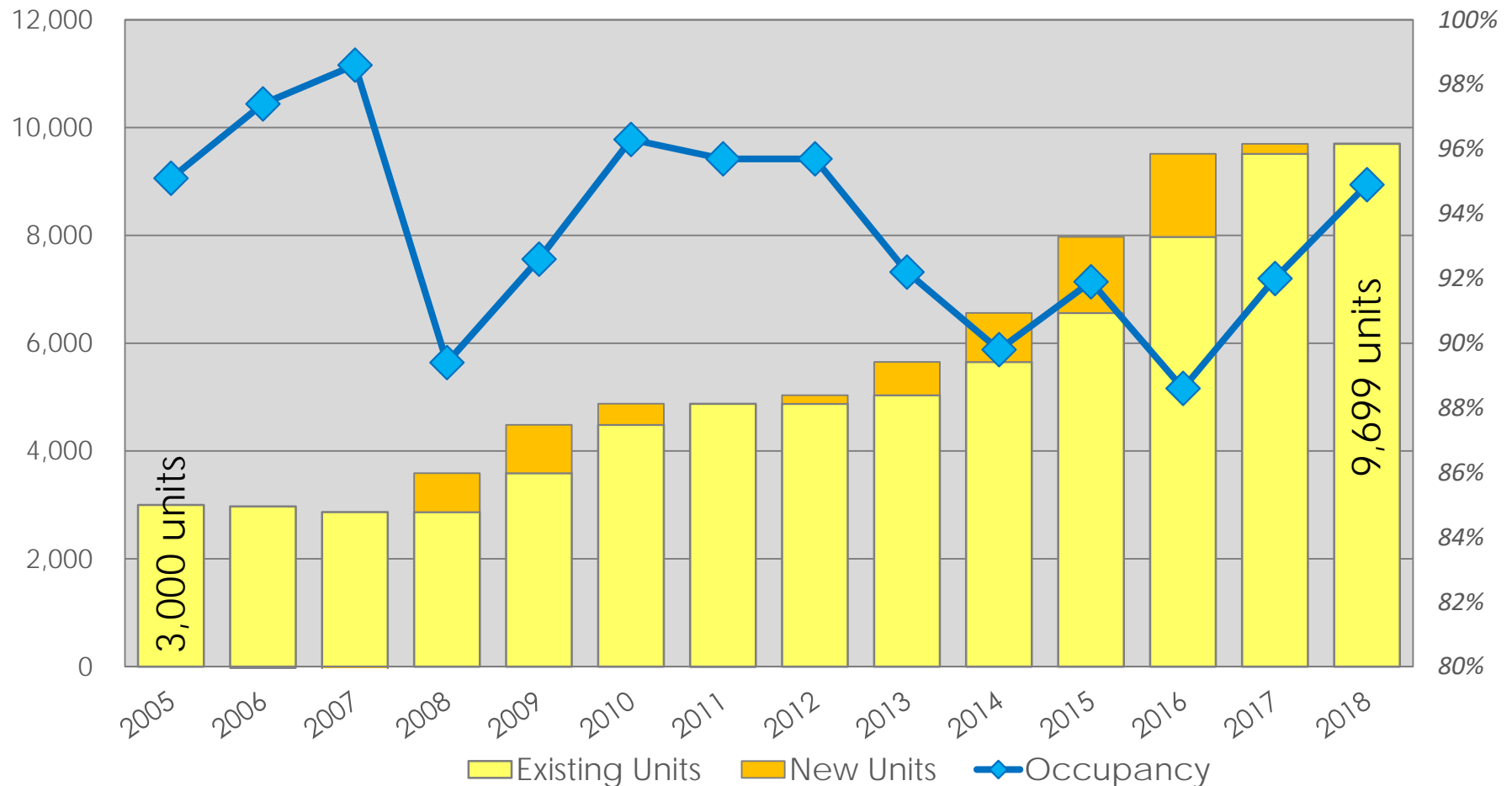
## Market Area – Future Office Market

The office market in Downtown & Near South Central Austin is expected to capture 23.1% of the overall MSA demand from 2018 through 2040. Of this, an average of **24.1%** is expected to be in the South Central Waterfront (**2.1 million sq.ft. total**).



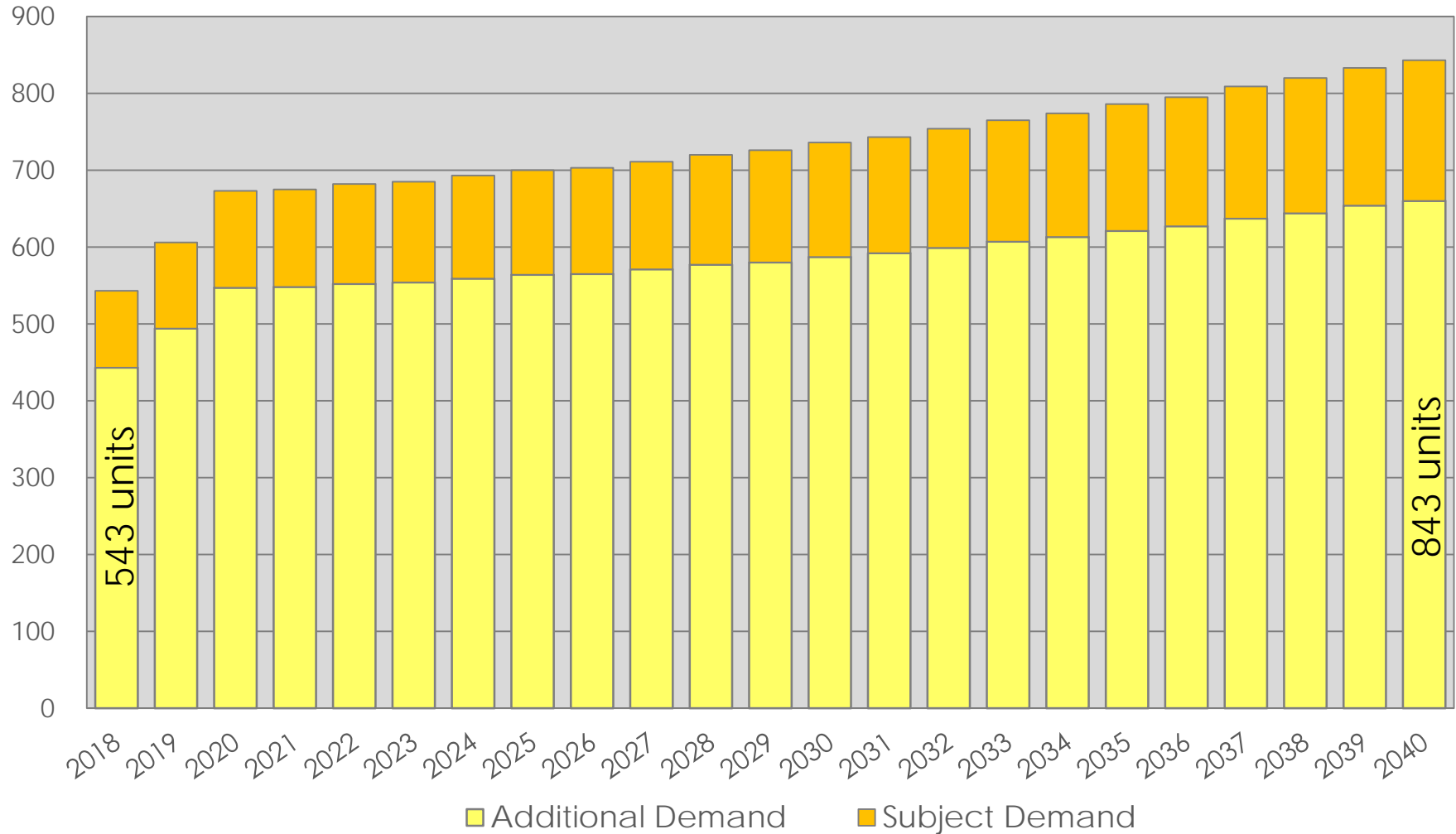
## Market Area – Current Apartment Market

The apartment market in Downtown & Near South Central Austin contains **46** active apartment communities. In June 2018, the market area was **94.9%** occupied with average rents of **\$2.44** per square foot per month. Inventory increased **223%** since 2005, adding an average of **515** new units every year.



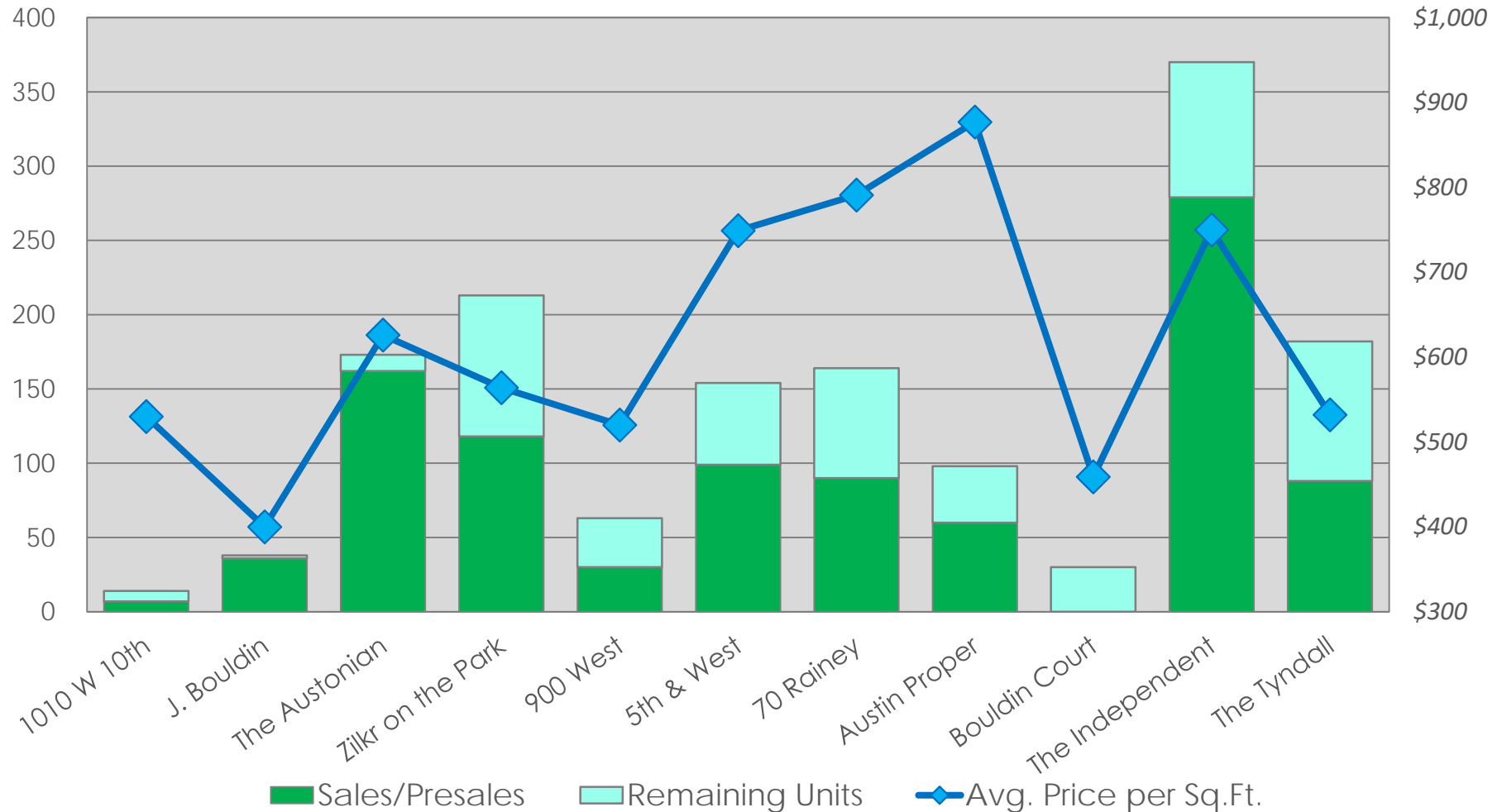
## Market Area – Future Apartment Market

The apartment market in Downtown & Near South Central Austin is expected to have an average annual demand of 729 units. The South Central Waterfront is project to capture an average of **20.1%** of these new units (**3,379 units**).



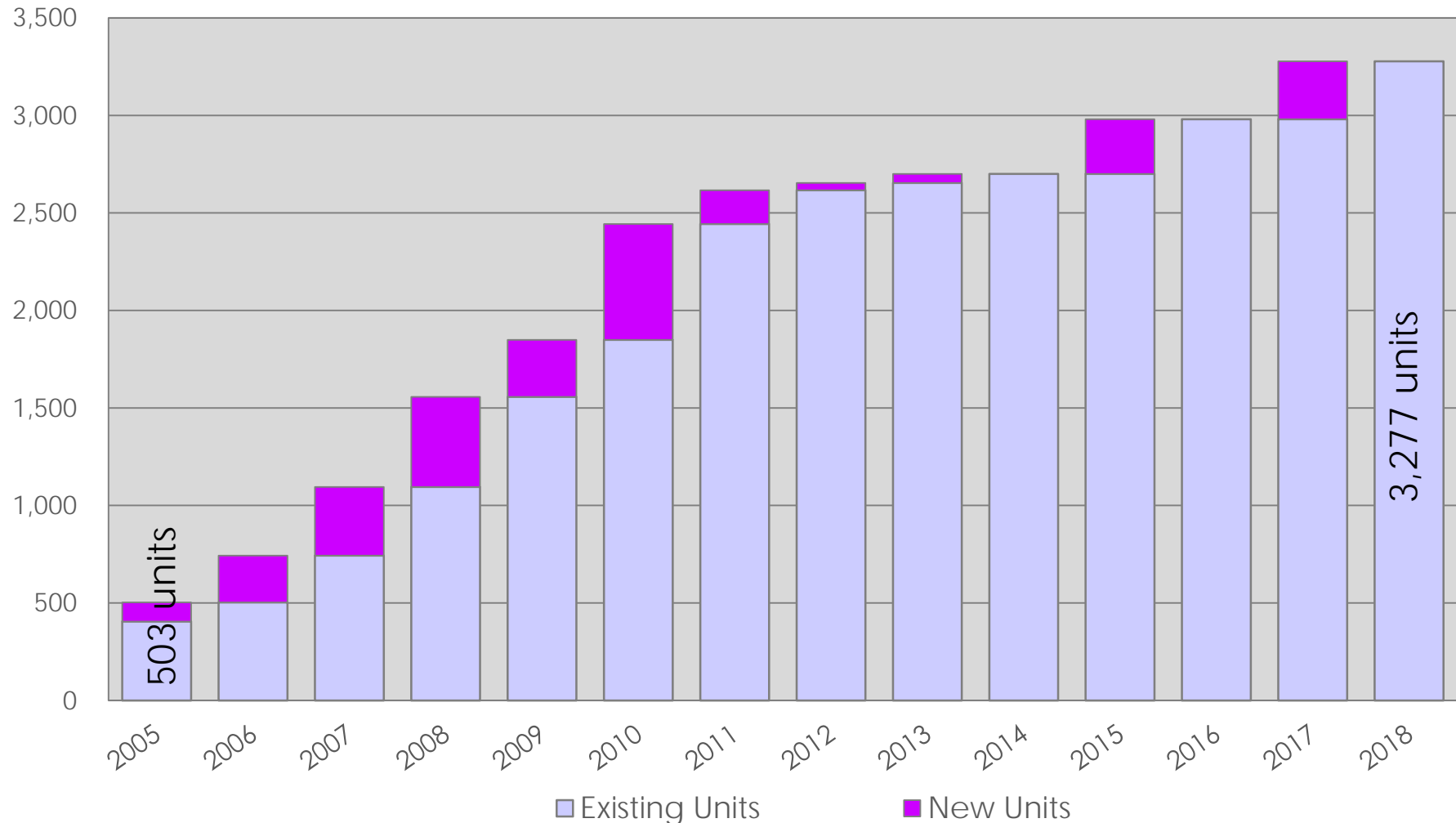
## Market Area – Current Condominium Market

The condominium market in Downtown & Near South Central Austin contains 11 new communities with existing inventory, 3 completed and 7 under construction. In June 2018, these projects were **83.5%** sold (or “pre-sold”) with average prices at **\$685** per square foot.



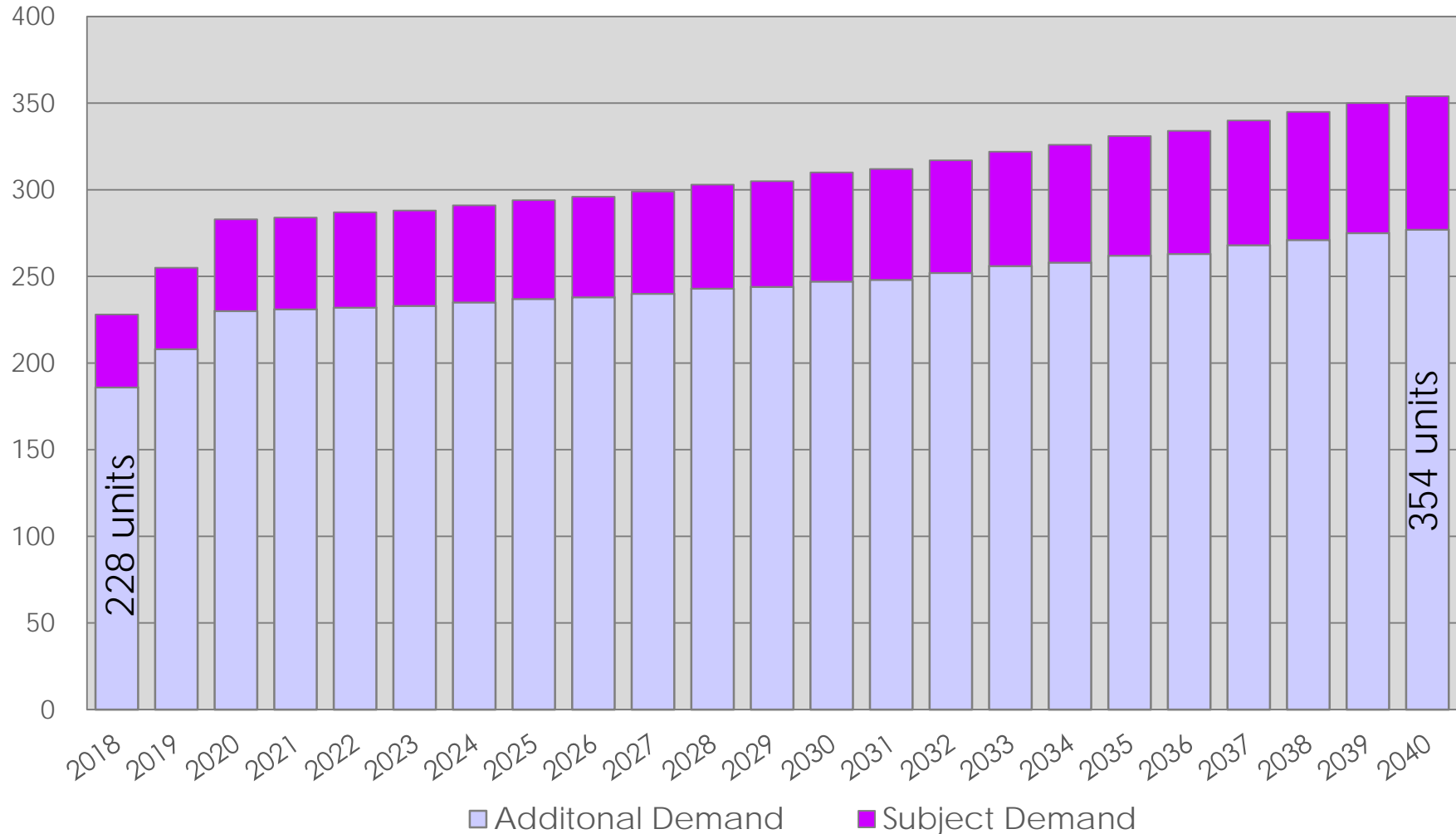
## Market Area – Current Condominium Market

The apartment market in Downtown & Near South Central Austin now contains **3,277** condominium units in **29** large communities, an increase of **551%** since 2005. Current (July 2018) average MLS (new & resale) sales price are **\$503** per square foot.



## Market Area – Future Condominium Market

The condominium market in Downtown & Near South Central Austin is expected to have an average annual demand of 307 units. South Central Waterfront should capture an average of **20.1%** of the market area demand (**1,421 units**).



# South Central Waterfront – Projected Tax Values

Planned developments are expected to add **\$2.4 billion** in taxable value in the South Central Waterfront from 2018 to 2040. Total taxable value in the TIRZ is projected to be **\$6.7 billion** in 2040.

