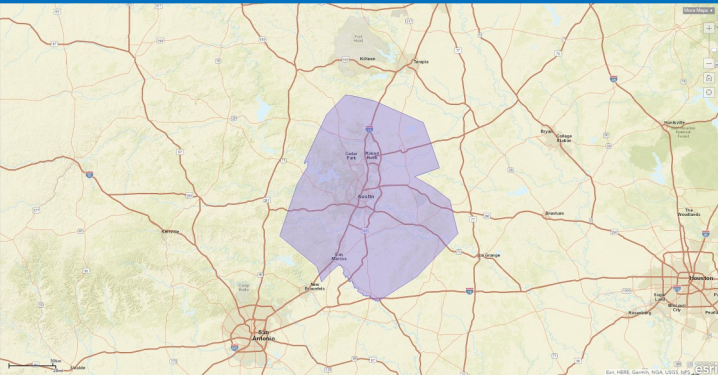
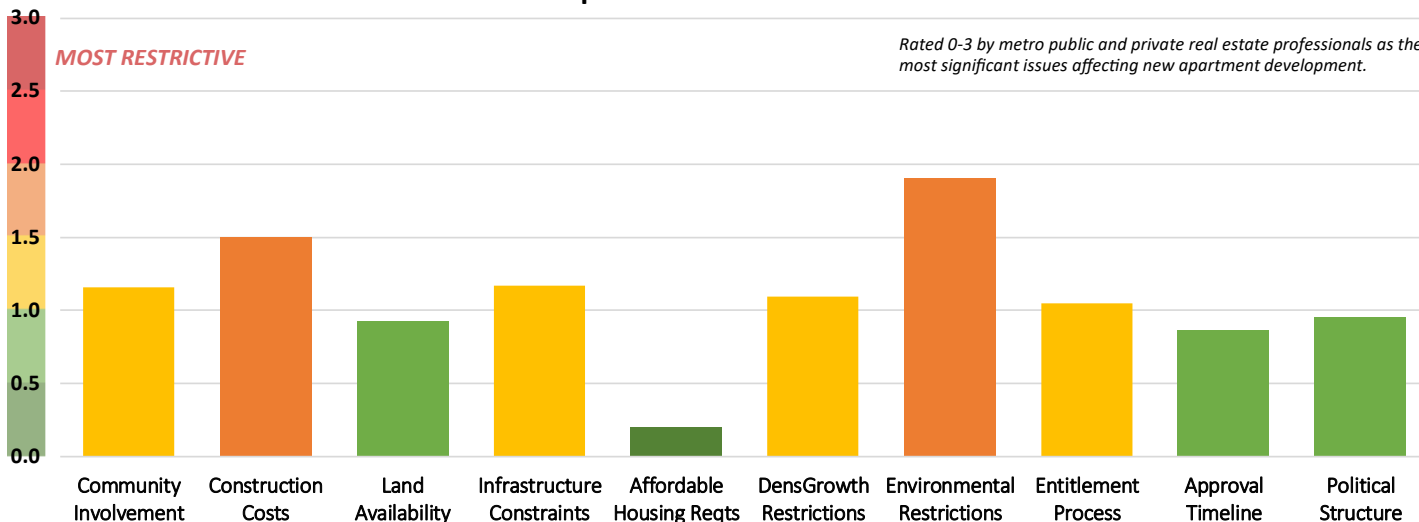


BARRIERS to APARTMENT CONSTRUCTION				AUSTIN
DEMAND RANKING <sup>1</sup>	HIGH RENT BURDEN <sup>2</sup>	OLDER APT SHARE <sup>3</sup>	STAR SHARE <sup>4</sup>	
6	38%	21%	17%	
MEDIAN RENTAL HOUSEHOLD INCOME			\$42,900	
INCOME REQUIRED FOR AVERAGE RENT <sup>5</sup>			\$67,500	

**MOST RESTRICTIVE APARTMENT CATEGORIES:** ➤ ENVIRONMENTAL RESTRICTIONS  
➤ RISING LAND and CONSTRUCTION COSTS

This high growth market ranks 6 of 50 metro markets for forecasted growth through 2030. Given the high demand, the market is facing significantly rising construction, land and labor costs. Larger developments can more easily absorb impact fees, creating concern as to the financial feasibility of smaller-scale apartments. The market is significantly impacted by protective environmental standards which are frequently stated as a costly and time consuming process issue. Building codes are under review with revisions expected later this year. Respondents particularly rank influence of local councils and local residents, namely citizen opposition to growth as strong influencers on residential building activity, which creates a more complicated structure and entitlement process and often requires a real estate advocate and/or community relations specialist to assist the development team. As one of the fastest growing renter population bases, this market has a relatively new rental stock with only 21% of apartment units built before 1980 and only 17% of rental housing stock in STAR units, the lowest share of older, readily affordable rentals in 50 national metros previously surveyed.

### Barriers to Apartment Construction Subindices



### SUPPLY INDEX METHODOLOGY:

These pilot NAA HAS Barriers to Apartment Construction indices were created from 70 apartment development, process and timing questions in ten categories and sourced digitally from select real estate professionals in both the public and private realms. Outcomes were refined for the data return and discussed with local development leadership. An overall **Barriers to Apartment Construction Index** will soon result with more metro sampling.

### DEFINITIONS and NOTES:

<sup>1</sup>**DEMAND RANKING** is the relative rank among 50 metro apartment markets based upon the average of forecasted total rental housing demand 2017-2030 from the NMHC NAA demand study by HAS: *U.S. Apartment Demand—A Forward Look (2017)*; ranges from 1 (Dallas-Ft Worth) to 50 (Cleveland).

<sup>2</sup>**HIGH RENT BURDEN** refers to that share of households spending over 35% of combined household income on rent; ranges from 54% and median rents of \$1,200 (Miami) to 31% and median rents of \$750 (Sioux Falls) with a metro average of 41%.

<sup>3</sup>**OLDER APT SHARE** refers to that share of apartments (5 units or more) built before 1980; ranges from 89% (Cleveland) to 19% (Raleigh and Orlando).

<sup>4</sup>**STAR SHARE** is that share of metro rental housing stock with five or more units HAS qualified as *\*Second-Tier Affordable Rentals* or those non-institutional sites of typically lower unit count, lower quality and greater age, often overlooked as crucial affordable housing already in place. Using CoStar® ratings of 1-5 for sites of five units or more, STAR is the lower ratings of 1-2. This share ranges from 61% (Los Angeles) to 17% (Austin) with a metro average of 36%.

<sup>5</sup>**INCOME REQUIRED FOR AVERAGE RENT** assumes a more conservative 30% of combined rental household income for the average metro rent: source Zillow.com.