

As of February 1, 2012, the Georgetown multi-family market is off to a very strong start with occupancy rates standing at 97%. By my calculations, out of 2,294 units in our database, only 65 units were available for rent. That's a very tight market!

The current demand for rental space, in my opinion, is due in part to the high level of foreclosures and more stringent mortgage standards that are forcing more families to turn to the rental market as a solution for their housing needs.

There are 16 existing apartment projects on the ground in Georgetown, generally clustered in close proximity to the I-35 corridor.

- The average apartment unit is 852 square feet in size and is rented at roughly \$.84/sf/month.
- The existing rentable units are comprised principally of 1-BR's (38%); 2-BR's (45%) and 3-BR's at (14%). Efficiencies and 4-BR's units comprise less than 3% of all units.
- The average 1-BR unit is 643 square feet in size and is rented at \$.99/sf/month.
- The average 2-BR unit is 936 square feet in size and is rented at \$.80/sf/month.
- The average 3-BR unit is 1,173 square feet in size and is rented at \$.71/sf/month.

While there has not been a significant increase in rental rates over the last 18 months, with occupancies as tight as they are, it seems reasonable to anticipate rental increases may be on the way.

The last project added to the market was the 180-unit Cypress Creek at Riverbend, built in 2008.

35%, just over 800 units, have been built using tax-credit financing programs. Additionally, there are two projects totaling almost 300 units that are age-restricted. A review of the rent breakdowns between the market-rent projects and the tax-credit projects produces some interesting results. Contrary to public opinion, the average rental price per/sf/month for units in the tax-credit classification is very close to the average rental price for the market-rent projects. In the 1-BR product, the gap is about \$.04-\$.05/sf/month. The gap spreads just a bit in the 2-BR product to right at \$.10/sf/

month. The gap narrows again to \$.04 - \$.05/sf/month in the 3-BR and 4-BR product. Of course, \$.05/sf/month on the average 1-BR is still \$32/month. Part of that pricing similarity, in my opinion, results from the fact that the tax-credit projects are generally newer projects, so the cost production per unit is greater than some of the older units that are classified as market rate products.

There are new rental units in the pipeline which should help in relieving the tight vacancy market. At the time of this report, the 179 unit Two Rivers project is breaking ground on Austin Avenue between the confluence of the north and south fork of the San Gabriel River.

Tight market conditions, a return of multi-family financing, and an expanding employment and population base are bringing multi-family developers back into the Georgetown market.

There are three other sites reportedly under contract to apartment developers, which may or may not make it through the process.

- The first is a roughly 17 acre site located off the Inner Loop Road just west of the intersection with 1460.
- The second is a roughly 17 acre site located behind City Lights off Wolf Ranch Parkway.
- The third is a 10 acre age-restricted site on Shell Road near the intersection with Williams Drive.

With continued job growth in the Austin MSA, the tight mortgage financing market and a relatively quiet starter-home sector, it appears additional multi-family product will need to be provided in order to house Georgetown's expanding population. If not provided, then we need to get ready for much higher rental costs!



Ercel Brashear
BRASHEAR PROPERTIES
Broker



Market Rent

Tax Credit Financed

Seniors

Apartments Under Construction

Pending Projects

- 1** Apple Creek Apartments
Built 1985
- 2** Cypress Creek @ Riverbend
Built 2008
- 3** Georgetown Park Apartments
Built 1986
- 4** Georgetown Place
Built 2001
- 5** Georgetown Square
Built 1979
- 6** Georgian Apartments
Built 1975
- 7** Indian Creek
Built 1995
- 8** Mariposa @ Riverbend (Seniors)
Built 2007
- 9** The Oaks @ Georgetown
Built 1998

- 10** Parkview Place Apartments
Built 1998
- 11** San Gabriel Village (Seniors)
Built 2007
- 12** Shady Oaks Georgetown
Built 1968
- 13** Victorian Villages
Built 1985
- 14** Waters Edge - Georgetown
Built 2000
- 15** Waters Edge II - Georgetown
Built 2002
- 16** Westwood Townhomes
Built 1997
- 17** Two Rivers

Georgetown Apartment Rents



Summary Report Georgetown Apartments

Unit Type	# Units	Avg SF per Unit	Total Sq. Ft.	Avg Rent/per Mon/Unit	Rent/SF Unit
Efficiencies	48	447	21,456	\$ 495	\$ 1.11
1 BR's	851	643	547,093	\$ 638	\$ 0.99
2 BR's	1,054	936	986,019	\$ 751	\$ 0.80
3 BR's	321	1,173	376,570	\$ 834	\$ 0.71
4 BR's	20	1,222	24,446	\$ 1,105	\$ 0.90
TOTALS	2,294		1,955,584		
AVERAGES		852		\$ 719	\$ 0.84

Occupancy 97% (Excluding new units under construction)
as of : 2/1/2012

The statements, figures or calculations presented herein are based upon information, assumptions and/or figures, secured from and/or provided by third parties, which we do warrant as to accuracy. All figures subject to change without notice!

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Broker

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Our Mission
Brashear Properties is committed
to earning and maintaining the
trust of our clients by providing
superior real estate services.

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Brashear Properties Multi-Family Sites Offered For Sale

- ① 33 Acres - Shell Road - \$1.50/sf
- ② ~33 Acres - Williams Drive - \$3.50/sf
- ③ ~27 Acres - NW Inner Loop Road - \$1.50/sf

