



WACO

MULTIFAMILY SUBMARKET REPORT

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MARKET INVENTORY



93.30%

Current Occupancy Rate



212

Properties



15,251

Units



\$97,083

Avg. Price/Unit



\$1,109

Avg. Rent/Unit

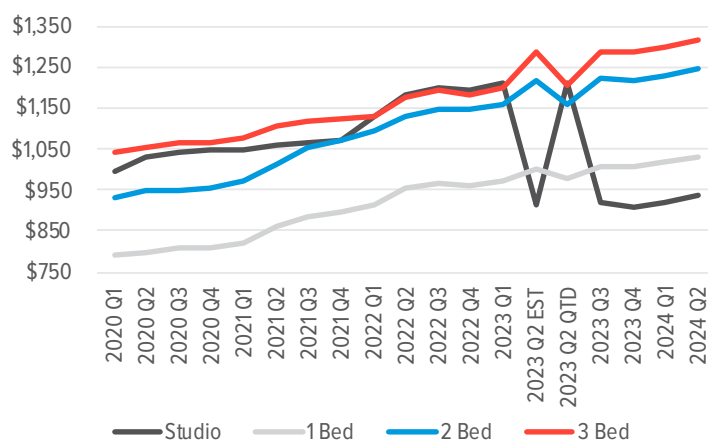
Submarket Overview

Waco is conveniently located halfway between the Dallas/Fort Worth Metroplex and Austin and has seen a remarkable transformation in recent years. Not only benefiting by being situated within 90 minutes of markets with over 10 million people, it also has a very broad economic base which has contributed to its growth. Around 2.5 million tourists visit Waco each year with Magnolia Market being the number one tourist destination in Texas. The employment sector is well diversified with higher education, healthcare, distribution, and advanced manufacturing.

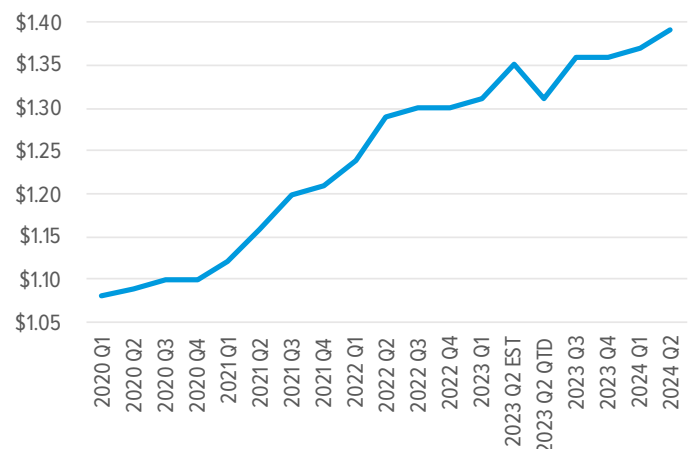
Rent Growth

Waco has a total of 15,251 multifamily units, with effective rents averaging \$1,109 (CoStar). The year-over-year (YOY) rent growth in Waco continued into 2023 at 9.54% (Yardi – March 2023) with Central Waco leading at 15.4% YOY rent increases (Yardi – March 2023). This has happened even with the backdrop of the recent real estate market shift and the higher interest rate environment. Average rents for one-bedroom units are at \$971 while two-bedrooms rent for \$1,148 and three-bedroom units \$1,196 (Costar). It is not uncommon for value-add investors to achieve \$100-\$150 rental premiums on upgrades through the submarket.

Market Rent Per Unit by Bedroom



Market Asking Rent/SF

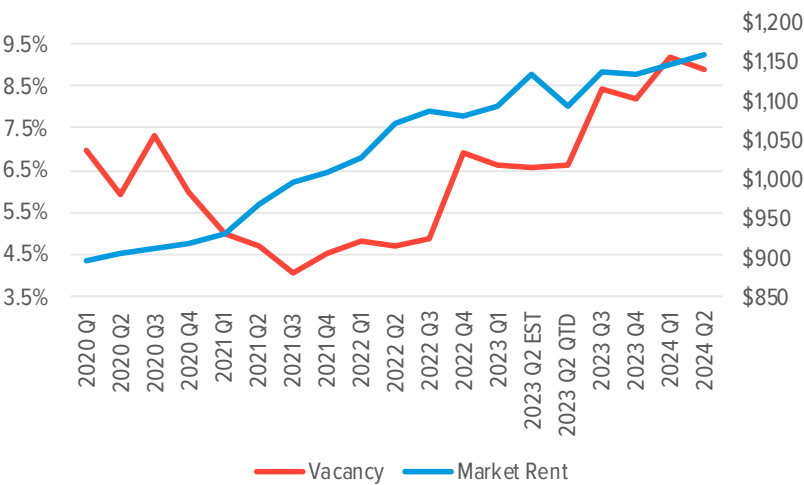


New Deliveries

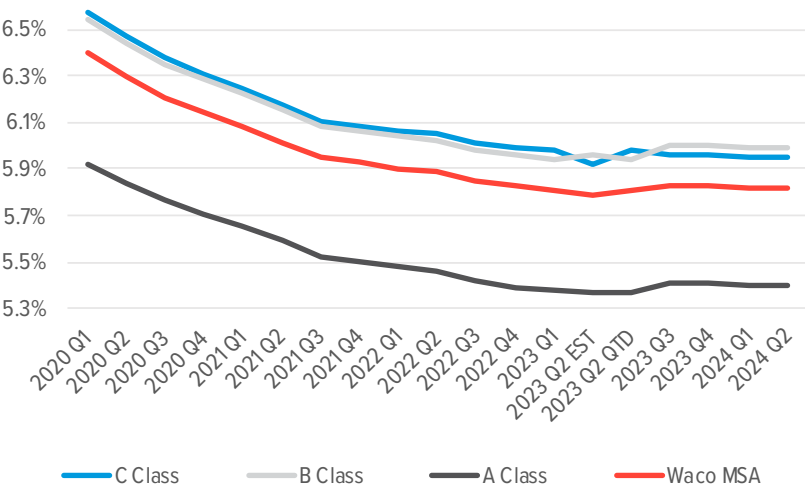
More than 8,000 new multifamily units have been added since 2016 while the population of Waco has steadily been increasing, over 20% since 2000 (115,128) to a population of 139,594 (2021).

The submarket has 1,008 units under construction (Yardi) and another 768 units in the planning stages (Yardi).

Vacancy & Market Asking Rent/Unit



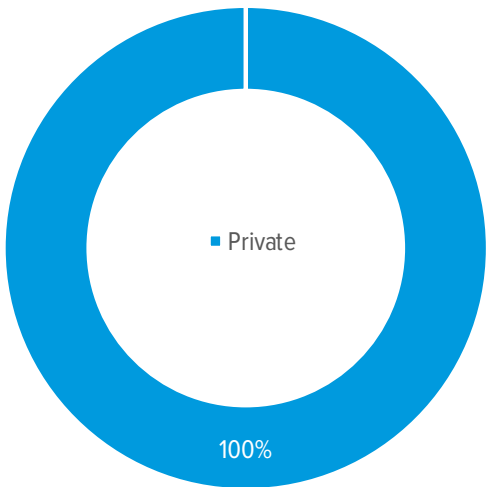
Market Cap Rate



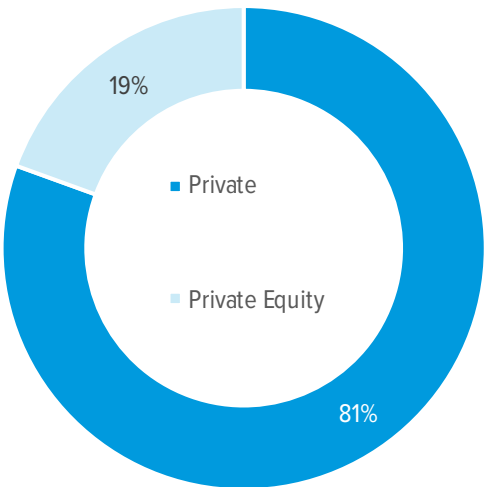
Sales Trends

According to CoStar, there have been 15 properties sold in the last year for an average of \$97,083 per unit. The market sales price per unit were distributed as \$168,370 for A Class properties, \$121,272 for B Class properties, and \$86,482 for C Class properties (CoStar).

Sales Volume by Buyer Type (Past 3 Years)



Sales Volume by Seller Type (Past 3 Years)



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Sources: GREA Research; RealPage; National Multifamily Housing Council; Moody's; CoStar

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