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AUSTIN

REGIONAL MARKET REPORT • Q2 2023

2023

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AUSTIN
REGIONAL MARKET REPORT Q2 2023

Located in the heart of Texas, Austin is known for its vibrant culture that uniquely blends live music, outdoor recreation, and culinary diversity into one. Renowned as the "Live Music Capital of the World," Austin has more live music venues per capita than any other city in the United States making it a top destination for nightlife. Situated on the border of Texas' Hill Country region, Austin boasts a variety of outdoor activities including kayaking, cycling, and hiking. The city also has a strong restaurant and food truck scene helping it rank as one of the best cities in the country for foodies. These attributes have attracted a young demographic to the city making Austin #1 in the nation for net migration of Millennials. [1]

Migration Hot Spot   **No Individual or Corporate Tax**   **Booming Job Market**   **Major Airport and Public Transport**

PEOPLE

Population	2,502,880
Projected % Change in 2023	2.2%
Median Age	39 y/o
Households	991,070
Median Household Income	$92,609

Zonda - Market Report

JOBS

Unemployment Rate	3.5% (as of June 2023)
Total Jobs	1,327,800
Jobs Added Q2 2023	22,900

Bureau of Labor Statistics

TOP EMPLOYERS

Dell Technologies	14,030
Ascension Seton	11,227
St. David's Healthcare	10,836
Samsung Austin Semiconductor	8,935
Apple, Inc.	7,000

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NEW & NOTABLE EMPLOYERS

IBM Corp.
Tesla
Advanced Micro Devices

Austin Chamber of Commerce

LOCAL ECONOMY [2]

The Greater Austin area has one of the strongest economies in the United States placing 2nd for GDP growth in 2022 and includes a thriving job market. The region, also known as "Silicon Hills," is regarded as a major tech hub with corporations such as Tesla, Dell, and Oracle all being headquartered within the metro. Dozens of other tech giants such as Meta, Google, and IBM also have a presence in the city. In addition to the tech industry, education plays a vital role in Austin's economy with the city being home to the 10th best public university in the country: The University of Texas – Austin. The strong tech scene and university have assisted the metro in ranking as the 4th most educated in the United States.

RANK

#2 - For GDP Growth
#2 - Fastest Growing City in the U.S.
#4 - Most Educated City in the U.S.

Kenan Institute: The American Growth Project | U.S. Census Bureau

ECONOMIC DEVELOPMENT UPDATE

June '23 – Frost Bank, the 4th largest bank by deposits in Texas, is planning on strengthening its position in Austin. The company which has over $5 billion in deposits and the largest ATM network across the state will open 17 new financial centers over the next three years. This expansion will create about 170 new jobs in the metro.

Click here to read more

June '23 – Austin leaders announced official plans for a light rail system stretching from 38th Street through downtown. The transit plan is called **"Project Connect"** and will provide better connectivity throughout the city. The renderings in Q2 show the light rail will be at street level and will provide 15 stops. City officials have not yet announced a construction date.
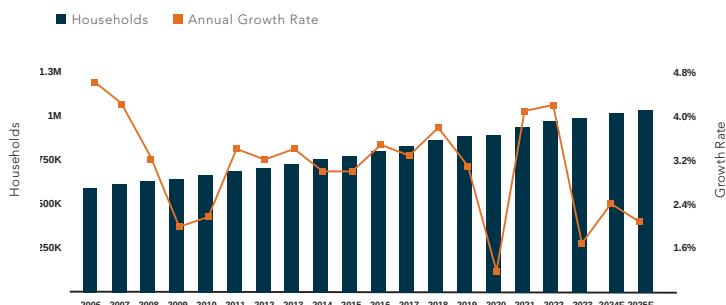
Click here to read more

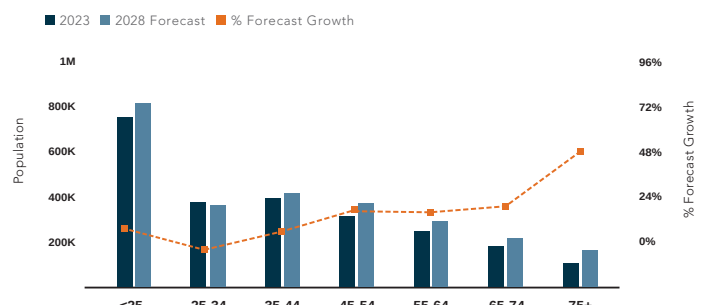PR Newswire | Austin American Statesman

GROWTH TRENDS

HOUSEHOLD GROWTH
Zonda - Market Report

■ Households ■ Annual Growth Rate

POPULATION GROWTH BY AGE
Zonda - Market Report

■ 2023 ■ 2028 Forecast ■ % Forecast Growth

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HOUSING MARKET

The Austin housing market positively improved in Q2 2023. New median home prices in the Austin area remained elevated but showed signs of stabilizing - up just 1% on a year-on-year basis. Single-family permit issuance was down, ~ 28% year-over-year, but increased by almost 900 permits compared to the previous quarter. Home starts in the area followed a similar path, down 32% year-over-year, but up around 73% from Q1 2023.

NEW MEDIAN CLOSING PRICE

$443,800 — YoY **1.0%**

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SINGLE-FAMILY PERMITS

Q2 2022
5,982

Q2 2023
4,332

-27.7%

U.S. Census Bureau

TOP HOMEBUILDERS BY RANK | MARKET SHARE

		MARKET SHARE
1.	D.R. Horton Inc.	14.5%
2.	Lennar Homes	11.0%
3.	Taylor Morrison	6.5%
4.	KB Homes	5.7%
5.	Meritage Homes	5.5%
6.	Pulte Homes	3.8%
7.	MileStone Community Homes	3.1%
8.	Perry Homes	2.9%
9.	Gehan Homes	2.5%
10.	Pacesetter Homes	2.4%

Zonda - Metrostudy

HOME STARTS

4,547 — YoY **-32.1%**

Zonda - Metrostudy

VACANT DEVELOPED LOTS

Zonda - Metrostudy

Q2 2023
34,412 YoY **32.8%**
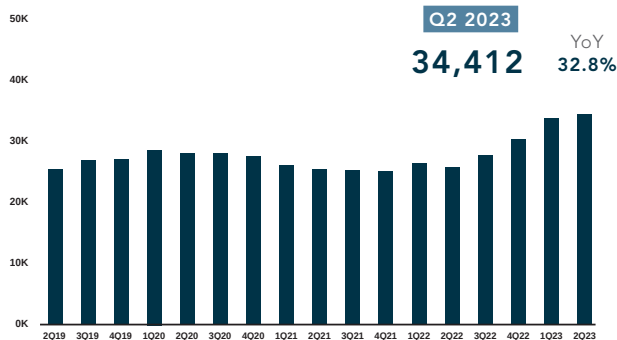
AFFORDABILITY RATIO

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■ New ■ Existing

NEW **31.2%↓** EXISTING **32.0%↓**
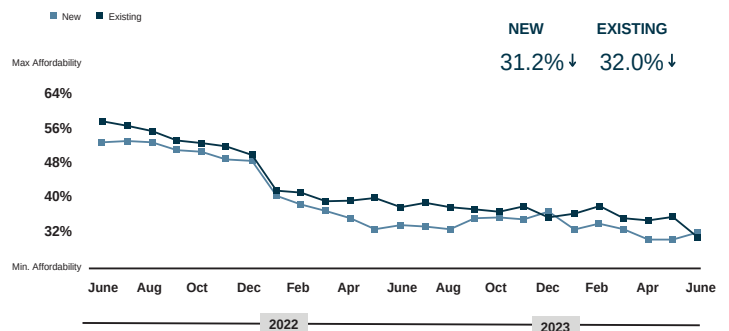
RENTAL MARKET

The Austin rental market showed signs of cooling in Q2 2023. Rental prices in the area remained elevated but showed signs of stabilizing, falling by just over 1% year-over-year. Multifamily construction stalled and permits fell by 58% compared to the previous year. Apartment occupancy rates remained constant at 94%, which may indicate a normal level of competitiveness within the market. Austin's rental market is expected to level off as rental prices find their ceiling and in-migration continues to drive demand for multifamily housing. [3]

MULTIFAMILY PERMITS

Q2 2022
7,447

Q2 2023
3,122

-58.1%

U.S. Census Bureau

HOUSEHOLD OCCPANCY

■ Occupied 94%
■ Vacant 6%

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MEDIAN RENTAL PRICE

as of June 2023
$1,676 — YoY **1.5%**

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REGIONAL MARKET REPORTS • Q2 2023

ALABAMA

HUNTSVILLE

ARIZONA

MARICOPA COUNTY
PINAL COUNTY

CALIFORNIA

NORTHERN CALIFORNIA
SOUTHERN CALIFORNIA
CENTRAL CALIFORNIA

COLORADO

DENVER
COLORADO SPRINGS

FLORIDA

CENTRAL FLORIDA
SOUTHEAST FLORIDA
NORTHEAST FLORIDA

GEORGIA

ATLANTA
SOUTHEAST GEORGIA

D.C. - VA - MD

MARYLAND
RICHMOND

NEVADA

LAS VEGAS

NORTH CAROLINA

CHARLOTTE

SOUTH CAROLINA

UPSTATE - SPARTANBURG

TENNESSEE

CHATTANOOGA
KNOXVILLE
NASHVILLE

TEXAS

DALLAS-FORT WORTH
AUSTIN
HOUSTON

UTAH

ST. GEORGE

WASHINGTON

SEATTLE
SPOKANE

NEW LAND ACQUISITIONS

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