

Bigeye Insights

Austin, Texas



September 2020

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Introduction & Demographics

The capital city of Texas, Austin is the **11th-most populous city** in the United States and the seat of Travis County.

Located nearly in the center of the state, Austin is about three hours south of Dallas; three hours west of Houston; and about 90 minutes north of San Antonio.

Experiencing a **population growth of 34.1%** between 2007 and 2017, the Austin region is one of the fastest-growing in the USA.

Austin has been the fastest-growing major metro in the country for nine straight years, from 2010 to 2019. The metro population jumped to an estimated **2.2 million people as of July 1, 2019**, according to the United States Census Bureau. That is an increase of 2.8% from the prior year, bigger than any other metro with at least 1 million residents.

169 people added every day, on average.

With a vibrant, well-educated, and youthful population of **2.2 million** in the Metropolitan Statistical Area (MSA), the median age in Austin is **34.7 years**.

44.8% Of Austin's population aged over 25, have a Bachelor's Degree.

Austin is the No. 4 city **tech workers would consider relocating to**.

Austin's **airport** is one of the **top ten** in the US, according to readers of *Travel + Leisure*.

↑10% Austin leads the US in tech salary growth, seeing a **10% increase** last year.

Proud residents of Austin are known as **Austinites** and have adopted the unofficial slogan "**Keep Austin Weird**" - the desire to protect small, unique, and local businesses from being overrun by large corporations.

"Everyone is welcome and has a place somewhere here. And it just makes it such a unique place because you just never know who you're gonna meet or what experience you're going to have just 'cause there's so many different things." - **Jamie E, 38**

"I think Austin is great, as I travel a lot and I have to say, I always feel like I belong here." - **Shelly S, 42**

"I like the fact that it's very much a city feel. I want to be in a city surrounded by people, things to do, but also like the outdoor space here. You can drive 10 minutes to the green belt and you feel like you're totally secluded and it's all green trees and trails and water, small little waterfalls. And you're like, "Holy cow! I'm in the city of Austin right now." So that's why a lot of my friends are like, "Oh My gosh, I want to move to Austin!" - **Madison P, 28**



Austin's laid-back, take-it-or-leave-it kind of attitude matches well with its fun and "weird" culture, celebrated on bumper stickers and T-shirts with the slogan, "Keep Austin Weird."



Austin Neighborhoods

Downtown Austin is popular with younger residents with middle to upper household incomes. These Austinites love the convenience of being just blocks from shopping on Congress Avenue, live music venues on 6th Street, and even some great parks, hiking, and biking along the Colorado River.

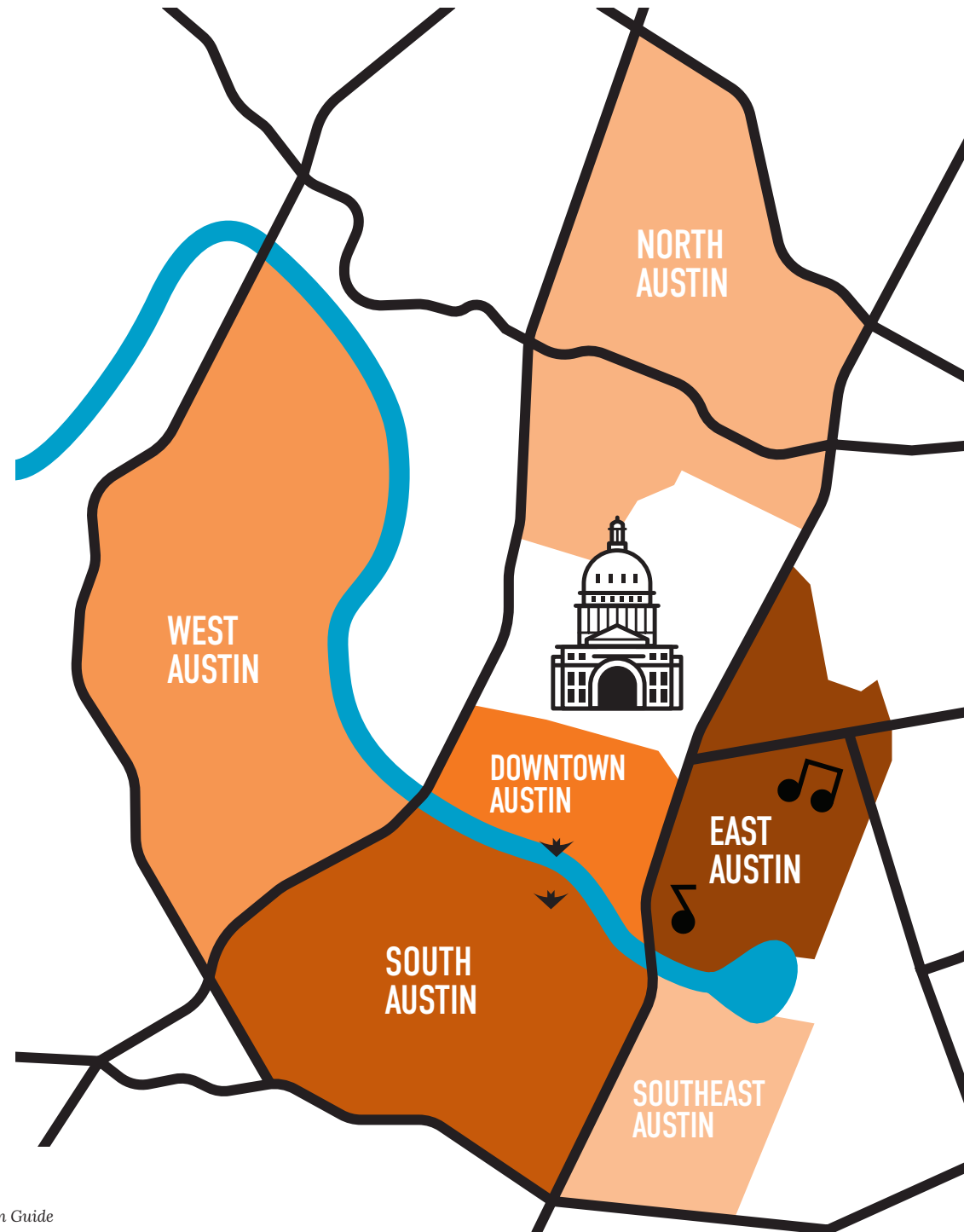
Across the Colorado River from Downtown Austin sits **South Austin**, where young, artsy types congregate. Barton Heights offers great family areas, while Travis Heights and Bouldin Creek attract mainly hip, liberal Austinites.

North and **Northwest Austin** include Round Rock, Cedar Park, and Leander, which attract a lot of families. The Leander is an award-winning school district, and Apple and Dell have large operations in the area. **North Austin** also has some great luxury apartments. These fast-growing Austin neighborhoods are popular with families.

West Austin has some of the wealthiest neighborhoods in the city, such as Westlake Hills and Steiner Ranch. The commute into town is a bit longer than in other areas of Austin, but residents are closer to Lake Travis and the great outdoors. Neighborhoods Oak Hill and Circle C Ranch are further south.

Although **East Austin** used to be considered the poorest part of the city, the area is now mostly a hipster neighborhood with many sleek, modern developments.

Southeast Austin is home to a lot of University of Texas students, likely because of the large number of apartments and other rental properties in the area.



Doing Business in Austin

The Austin region offers businesses deep talent, education, quality healthcare, telecommunications, and a modern, international airport.

Key Industries: Advanced Manufacturing, Clean Technology, Creative & Digital Media Technology, Data Management, Financial Services and Insurance, Life Sciences, and Space Technology.

Major Employers: Amazon, AMD, Apple, Charles Schwab, Dell, General Motors, IBM, Intel, National Instruments, Samsung, Tesla, VISA, and Whole Foods.

The city adopted “**Silicon Hills**” as a nickname in the 1990s, due to the rapid influx of technology and development companies.

Major Tech Companies with Offices in Austin: Expedia Group, Facebook, Google, Amazon, and Apple.

Major Financial Services and Insurance Companies with Offices in Austin: Charles Schwab, Citizens, Deloitte, Farmers Insurance Group, Finastra, NetSuite, Progressive Insurance Co., State Farm Insurance Co., and VISA.

In addition to being home to tech giants, Austin has a thriving **startup scene**. Austin area startups attracted **\$2.2 billion** across 263 venture deals in 2019. Startups account for a larger share of businesses in Austin than in nearly all major US metros, and Austin ranks **6th** for new businesses per 1,000 population.

Women-owned firms represent 21.8% of Austin businesses with paid employees.

Minority entrepreneurs make up 18.8% and **veteran entrepreneurs** represent 5.5% of Austin area employer firms. Austin ranks **5th** among the **top 50 metros** for business owners with STEM degrees.



The new Tesla Gigafactory, set to be located in eastern Travis County, will be one of the world's largest and most advanced automotive plants and will bring an estimated \$1 billion in capital investment to the region.





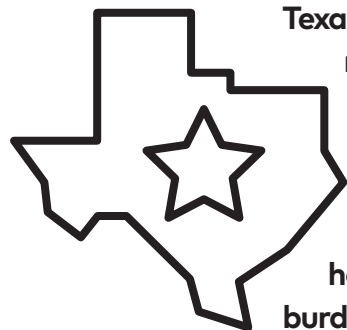
Apple's new 3-million-square-foot campus in Austin is expected to take until 2022 to build at a cost of \$1 billion.

It will have room for up to 15,000 new employees and sit on 133 acres of land in Robinson Ranch.

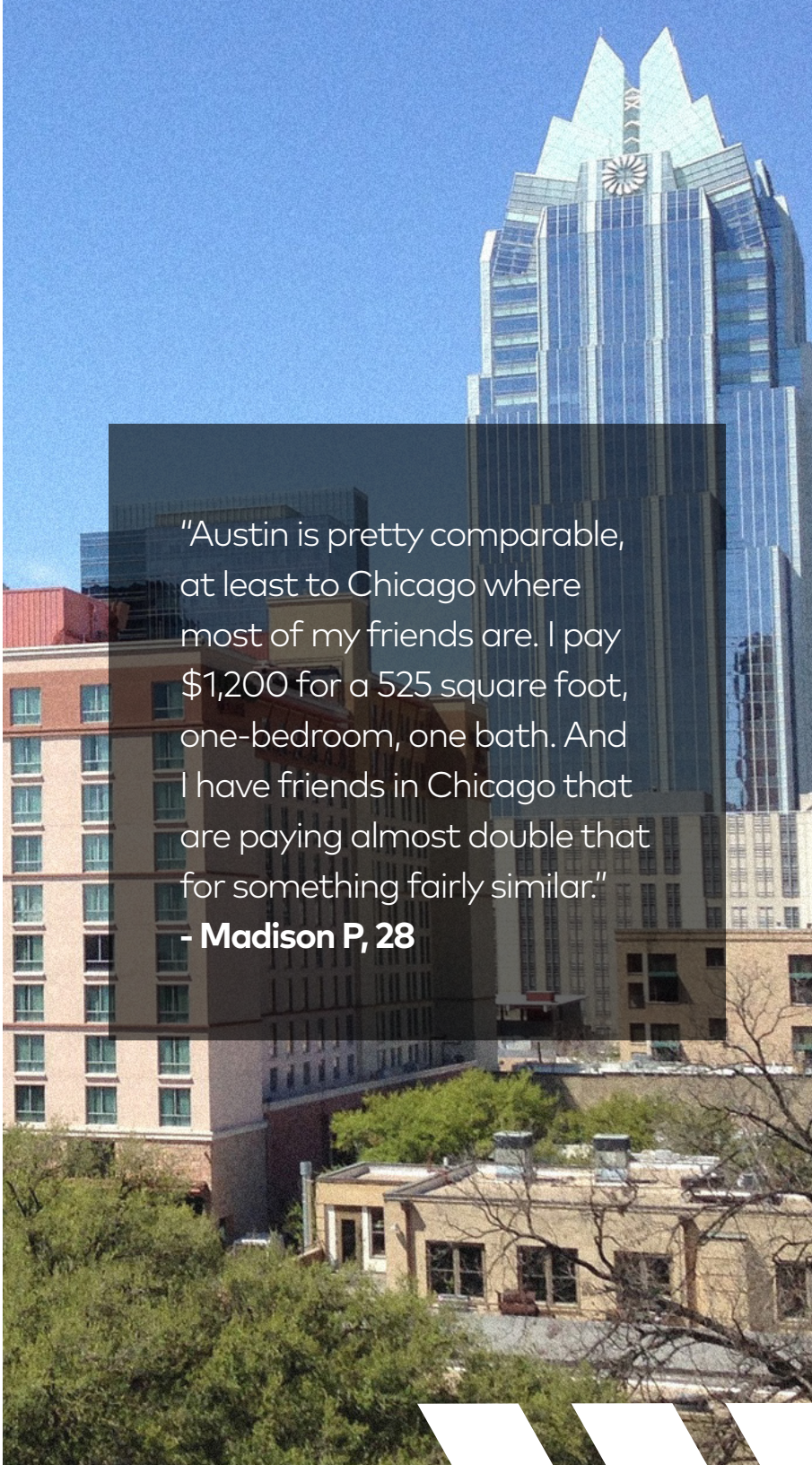
Cost of Living in Austin

Austin's Chamber of Commerce reports that the cost of living in the region is **2 percent lower** than the national average.

In Texas, aggregate costs for real estate, energy, wages, and taxes are below most states in the country. The state ranks 38th among the 50 states in taxes paid per capita and ranking 33rd in taxes paid per \$1,000 of personal income.



Texas consistently ranks as one of the nation's most favorable business climates based on its low tax burden and competitive regulatory environment. Texas features no personal or corporate income tax and has one of the lowest state and local tax burdens in the US.

A photograph of the Austin skyline, featuring the prominent glass skyscraper of the Frost Bank Tower. A semi-transparent dark grey rectangular box is overlaid on the right side of the image, containing a quote and a name.

"Austin is pretty comparable, at least to Chicago where most of my friends are. I pay \$1,200 for a 525 square foot, one-bedroom, one bath. And I have friends in Chicago that are paying almost double that for something fairly similar."

- Madison P, 28

Austin Apartment Living

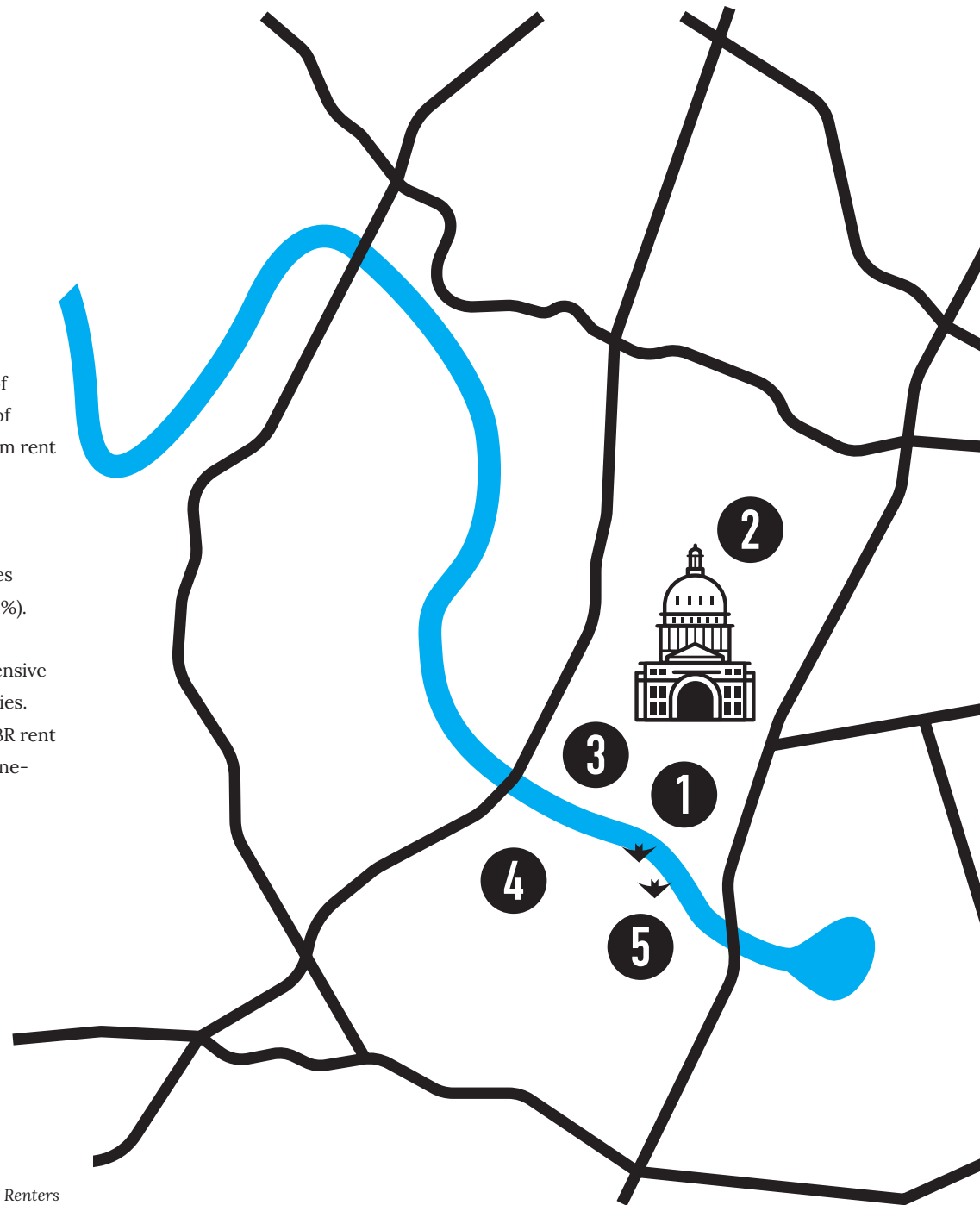
According to RENTCafé, these 5 Austin neighborhoods offer a good selection of rental apartments, unique dining, shopping, atmosphere, walkability, and a sense of community:

- 1 Downtown Austin**
(average rent \$2,200/mo)
- 2 Central Austin**
(\$2,100/mo)
- 3 Clarksville**, between downtown and the MoPac Expressway
(\$2,100/mo)
- 4 Zilker**, South Austin
(\$1,400/mo)
- 5 Travis Heights**, South Austin
(\$1,400/mo)

Austin's **median** two-bedroom rent of \$1,450 is above the national average of \$1,193. The city's median one-bedroom rent is \$1,175.

While rents in Austin fell moderately over the past year (-0.6%), many cities nationwide saw slight increases (+0.2%).

Renters will generally find more expensive prices in Austin than most similar cities. For example, Detroit has a median 2BR rent of \$902, where Austin is more than one-and-a-half times that price.



No two renters are the same, but many Austin renters are consistently seeking features and amenities. Here are the top things prospective residents report looking for in a property:



Convenient Location

People want to live, work, and play in a geographically convenient circle. If your multifamily property is located near the University of Texas, show how it's a convenient walk to campus to appeal to professors, graduate students, and staff. Similarly, if you have property near the new Apple campus, play up this proximity and go after Apple employees.



Pet-Friendly

The American Veterinary Association estimates that 50 percent of renters have pets and that 3 out of 10 renters without pets would have pets if their landlords allowed it. Allowing pets in your multifamily property opens up your prospective pool of renters and provides you with a competitive edge.



Key Appliances

Renters are on the lookout for properties that have garbage disposals, washers and dryers, dishwashers, refrigerators, and microwaves. In higher-end rentals targeted at tech industry workers, potential residents may expect smart thermostats and TVs.



Connectivity

Wireless connectivity is extremely important to renters. 91% of renters say reliable cell reception is important, and 44 percent say they won't rent without reliable cell service.



Outdoor Living

One of the bigger benefits of living in Austin is the ability to enjoy warm water all year round. Tenants respond positively to multifamily properties that offer outdoor living space such as balconies, patios, or decks.

WHAT AUSTIN RENTERS WANT

— Education

Austin area households enjoy diverse options in education, including **29** public school districts, 27 charter school districts, and over **100** private schools.

The University of Texas and 26 other public and private universities and colleges with a combined enrollment of nearly 180,000 provide an ample supply of well-educated workers to area employers.

Within 200 miles of Austin, an additional 95 four-year colleges and universities enroll over 422,000 students.



THE UNIVERSITY OF TEXAS
AT AUSTIN, A WORLD-CLASS
RESEARCH INSTITUTION
AND ONE OF THE LARGEST
UNIVERSITIES IN THE NATION,
IS A MAJOR CONTRIBUTOR TO
AUSTIN'S HIGHLY EDUCATED
WORKFORCE AND CREATIVE
SECTOR, GRADUATING 12,000
STUDENTS ANNUALLY. IT HAS
BEEN RANKED NUMBER ONE
OF MORE THAN 400 MAJOR
RESEARCH UNIVERSITIES
WORLDWIDE.

Healthcare

Austin is committed to the health of its residents and offers healthcare resources for preventive, emergency, short-term, long-term, and therapeutic care.

There are three major healthcare systems in the Austin area: **St. David's HealthCare**, the **Seton Healthcare Family of Hospitals**, and **Baylor Scott & White Health**. With these three systems, as well as many other quality independent providers, such as the Austin Diagnostic Clinic and the Austin Regional Clinic, there are more than **5,000 healthcare facilities** in the Greater Austin area.

The new **Dell Medical School** at the University of Texas campus accommodates classes of students in training to become primary physicians and specialists. It is estimated to bring as many as 15,000 new jobs and about \$2 billion annually in economic activity for the Austin area.

More growth in the healthcare industry is taking place at **the Innovation District** downtown. The district is a one-of-a-kind neighborhood for innovators who are working out new ways to create healthier communities.



**FIVE AREA HOSPITALS HAVE
BEEN NAMED TO A LIST OF
THE TOP 100 HOSPITALS IN
THE UNITED STATES.**

DATA FROM GLOBAL WEB INDEX

What best describes your marital status?

Single – 34%
In a relationship – 31%
Married – 24%
Divorced / widowed – 11%

How many children do you have?

None – 63%
1 – 20%
2 – 8%
3+ – 9%

Does your household have pets?

Dogs – 45%
Cats – 33%
No pets – 32%
Other pets – 15%

Which of the following online sources do you mainly use when you are actively looking for more information about brands, products, or services?

Search engines – 61%
Consumer reviews – 37%
Social networks – 37%
Product / brand sites – 30%
Online pinboards (e.g. Pinterest) – 20%

How do you typically find out about new brands and products?

Ads seen on social media – 35%
Online retail websites – 30%
Search engines – 30%
Ads seen on websites – 22%
Brand / product websites – 17%

Which of these things are you interested in?

Environmental issues – 43%
News / current affairs – 42%
Local issues – 38%
Politics / social issues – 38%
Charities / volunteering – 29%

How often do you typically go running / jogging?

Most days – 7%
2-3 times a week – 10%
Once a week – 6%
At least once a week – 23%

Which of the following apps have you used in the past month?

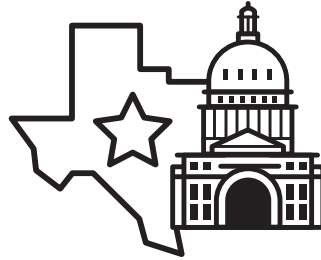
YouTube – 77%
Facebook – 64%
Instagram – 61%
Twitter – 37%
Pinterest – 34%

- Austin, Texas
- Aged 25-44
- Data from 4 waves
- Internet Users
- Rent Property
- 2019-2020



"It's always been home since I got here
and I don't ever want to leave."

- Jamie E, 38



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