



AUSTIN MSA JULY ECONOMIC UPDATE

July 2024

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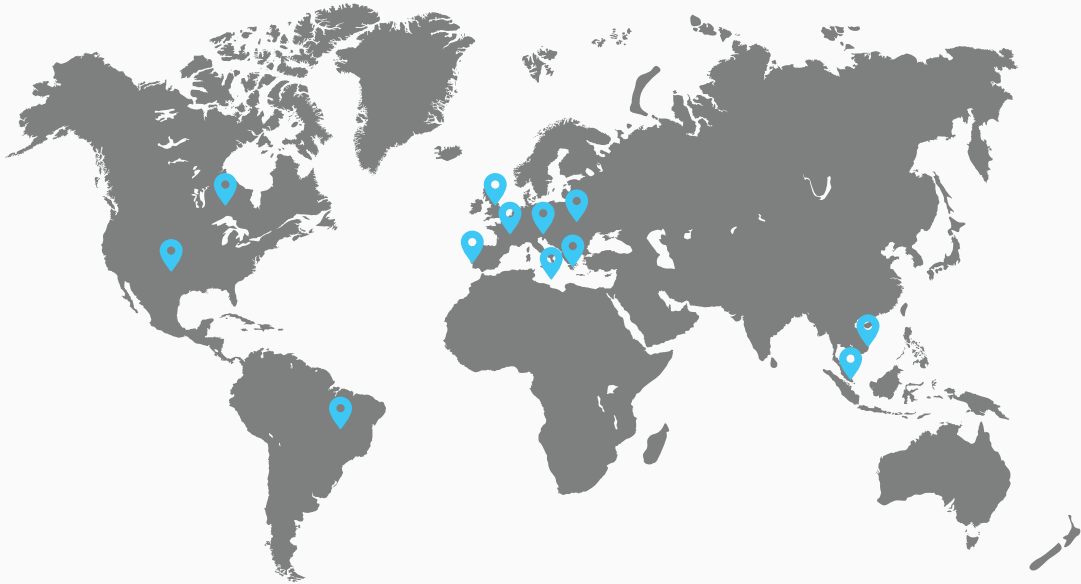
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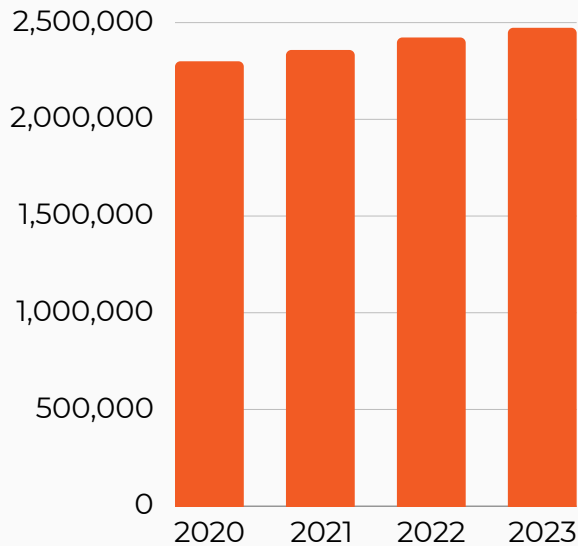
ABOUT AE



Over the past 29 years, AngelouEconomics has executed over 1,000 projects working hand-in-hand with major corporations, towns, cities, regions, states, and countries to develop visions, strategies, and implementation plans to advance regional growth and prosperity.



POPULATION

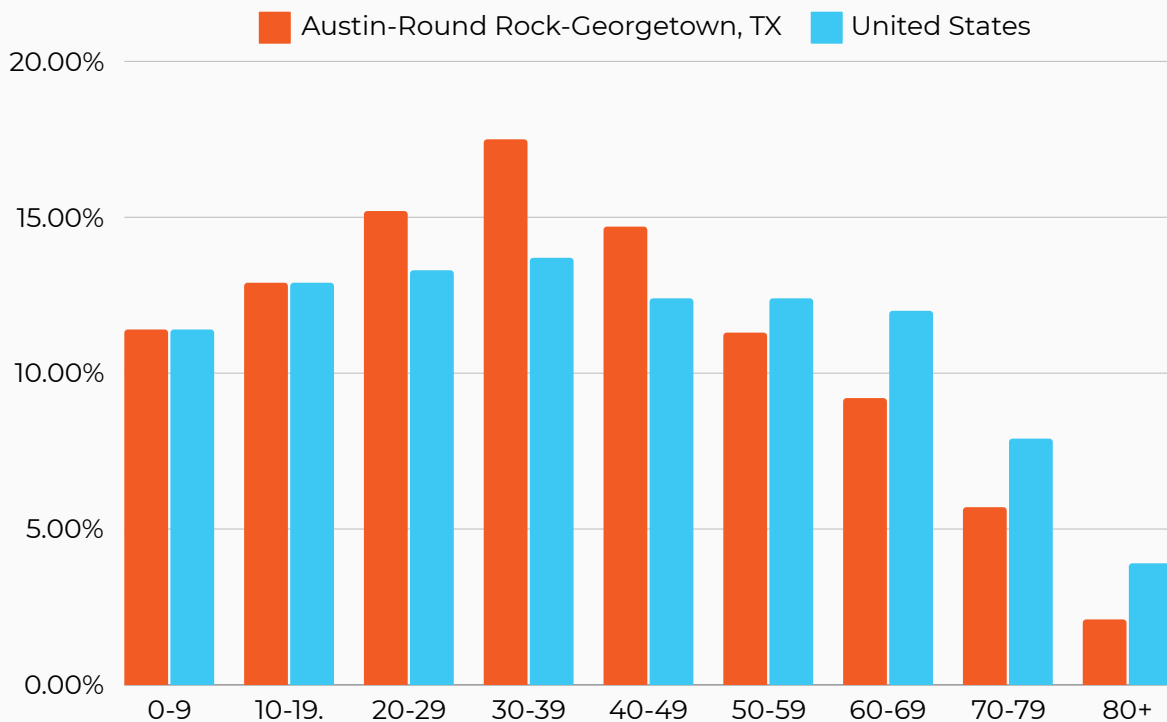


The graph to the right shows the population for the Austin-Round Rock, TX MSA over the last 5 years.

The 2023 population estimate for the Austin MSA is 2,473,275 people. This is around a 200,000 person increase from 2020, which had an estimated population of 2,283,369.

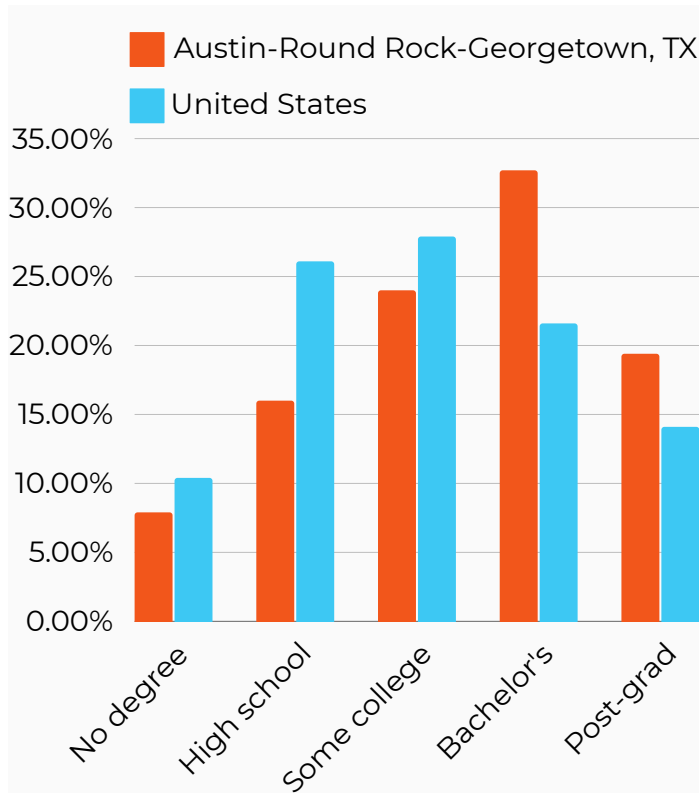
Based on recent growth trends the MSA population will be approaching 2.5 million people in 2024.

The MSA population age distribution is concentrated most highly around ages 20 to 49, with the largest group being 30-39, suggesting a large talent pool. Compared to U.S. average, this indicates a much younger population.



Source (s): Census Reporter

POPULATION



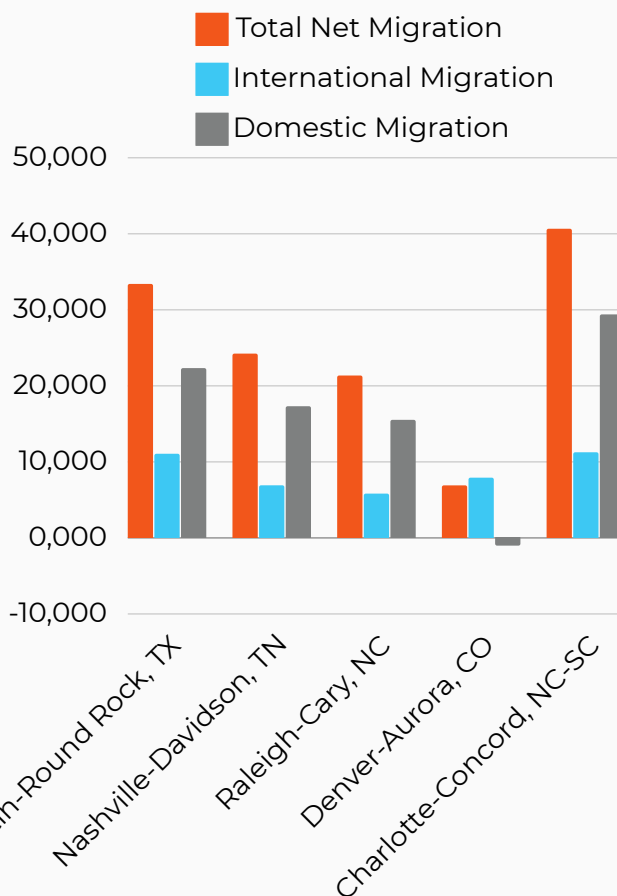
The Austin MSA population features a youthful and highly educated workforce, attractive to businesses seeking skilled employees.

The region's demographic and educational advantages position it well for continued development and competitiveness in various industries.

The Austin MSA experienced positive change in total net migration in 2023 of 33,412 people. This includes both domestic (22,339) and international (11,073) migration into the area.

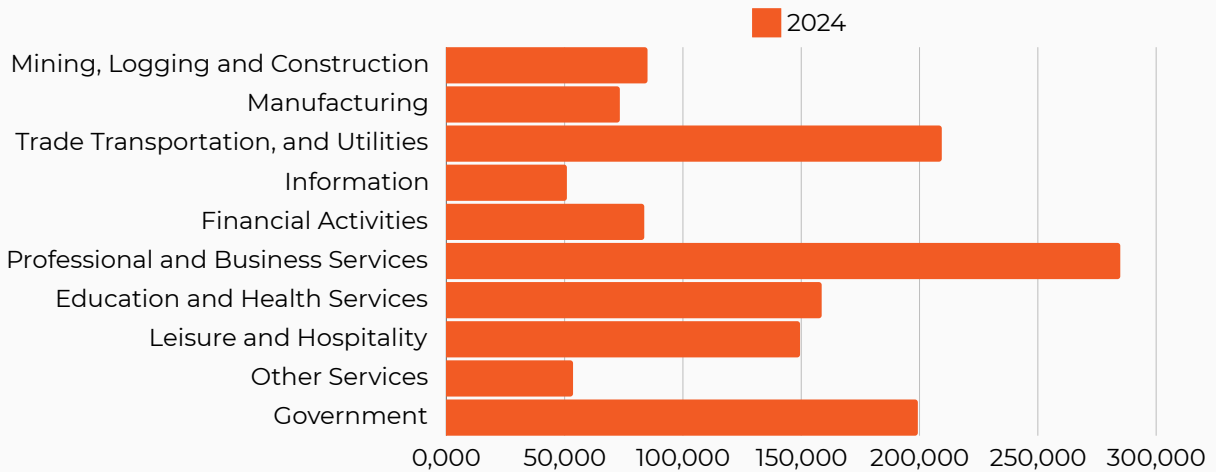
Compared to other Metropolitan Areas of similar population size, the Austin MSA is near the higher end.

Increased migration into the area could provide the Austin MSA with greater workforce opportunities and may contribute to the growth of the local economies.



Source (s): Census Reporter

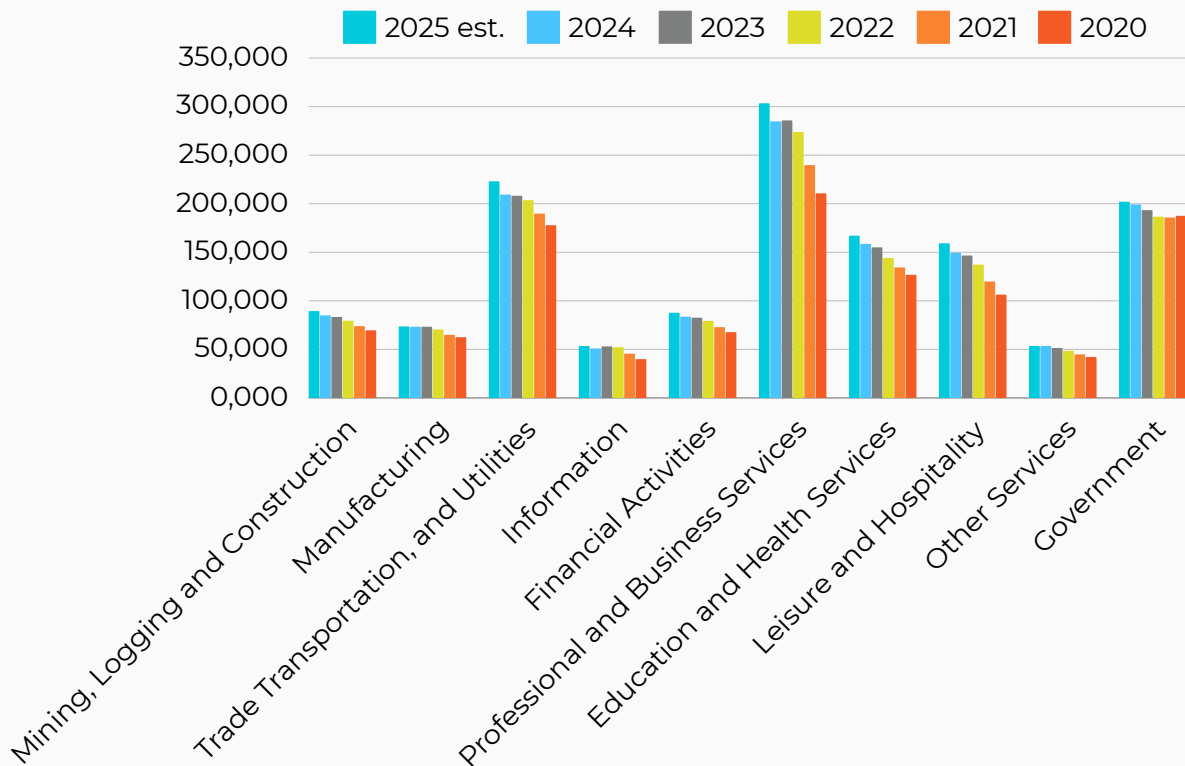
EMPLOYMENT



Continued growth in total jobs in nonfarm industries in the Austin MSA is anticipated through 2025. As of 2024, total nonfarm jobs is 1,348,220.

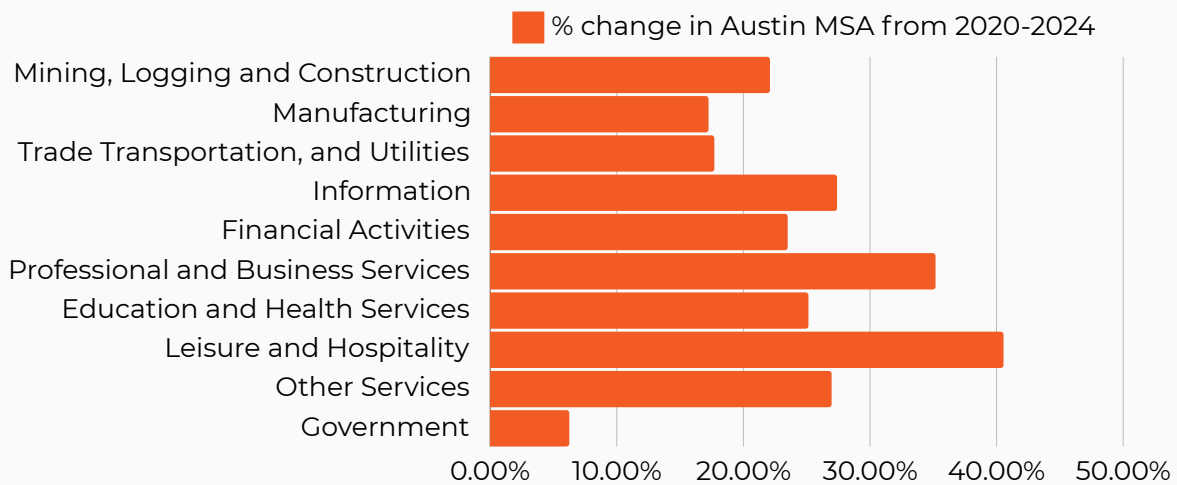
The forecast indicates that the industry with the highest number of jobs to be professional and business services with 284,840 jobs as of June 2024. This is followed by trade, transportation, and utilities with 209,400 jobs, and the government sector with 199,280 jobs also in 2024.

The projected growth in nonfarm industries suggests strong economic stability and diverse job opportunities in the MSA, with professional and business services leading the market.

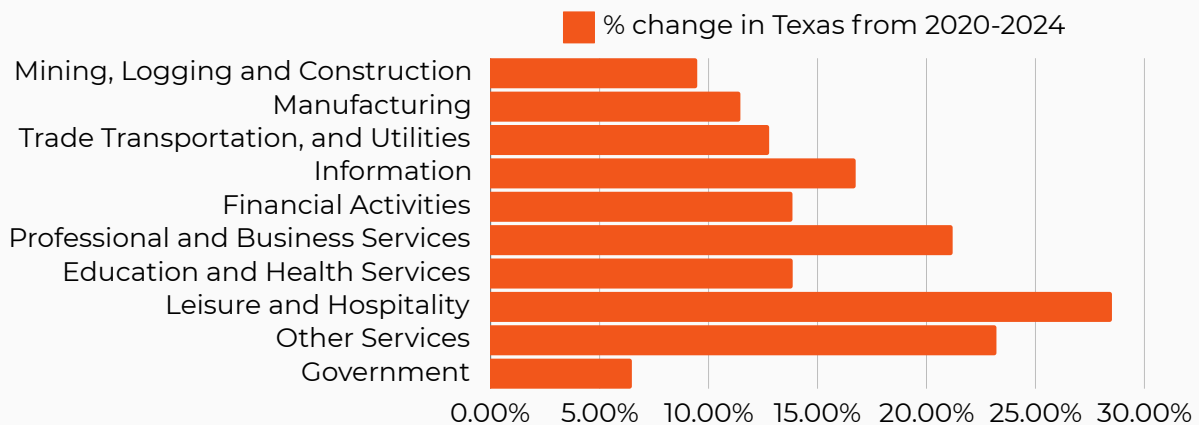


Source (s): Bureau of Labor Statistic

EMPLOYMENT



The Leisure and Hospitality industry growth from 2020 to 2024 in Austin has seen the greatest positive change, at 40.55%. Data and context suggest that this growth is following the reopening of the industry after temporary closures and shutdowns due to COVID-19.



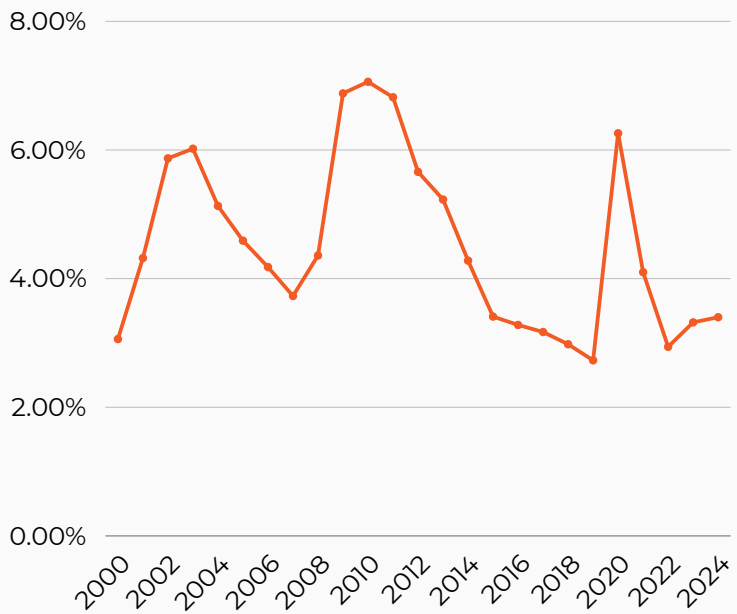
Growth in the Leisure and Hospitality industry from 2020 to 2024 follows the same trend state-wide, which further substantiates the contextual frame of the reopening of the industry after temporary closures and shutdowns due to COVID-19.

UNEMPLOYMENT

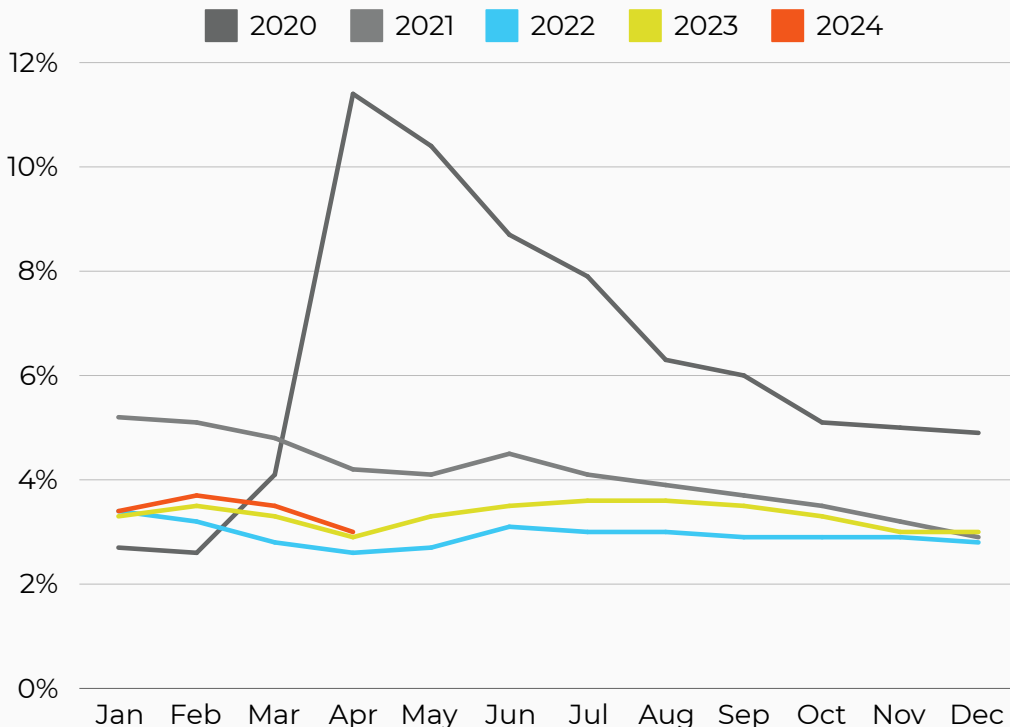
Unemployment rates in the Austin MSA seem to be stabilizing from the 2020 COVID-19 pandemic.

Monthly unemployment data in the region suggests that while unemployment rates have slightly increased from 2023, they are stabilizing around 3.4%, with a preliminary rate of 3.0% in April 2024.

In comparison, the May 2024 preliminary rate is 4.0% in the U.S. and Texas, as reported by the U.S. Bureau of Labor Statistics.

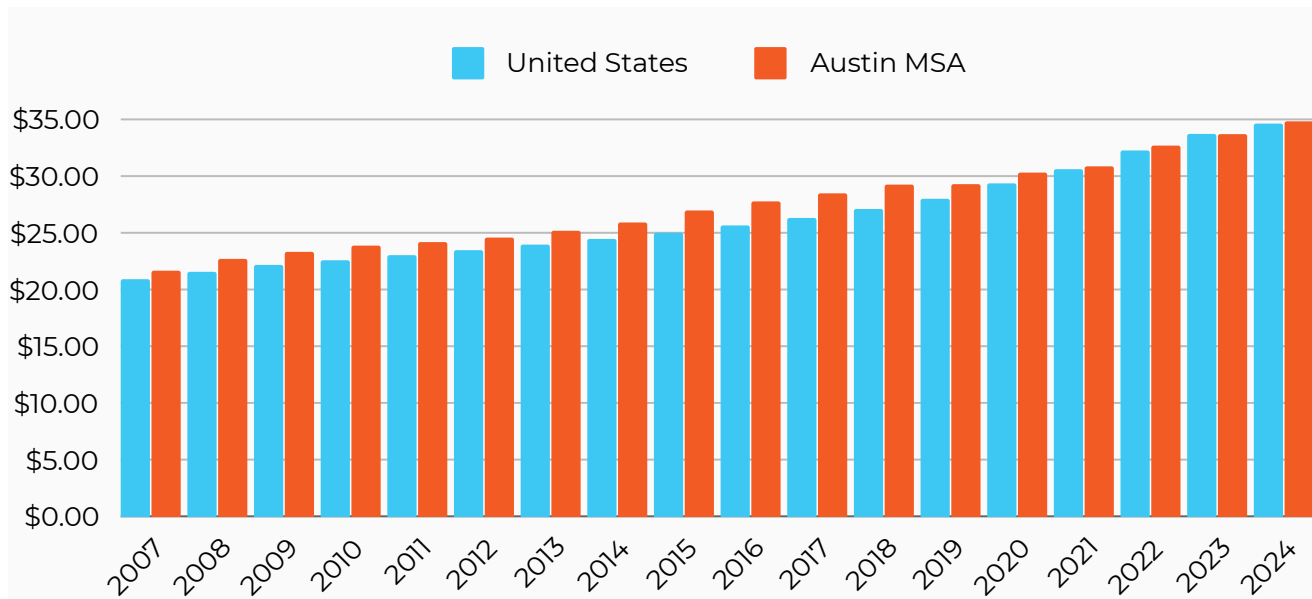


This stabilization in unemployment rates in the Austin MSA may indicate economic resilience and recovery, supported by the region's diverse industries. It may also support consumer confidence and attract businesses and talent to the area.



Source (s): Bureau of Labor Statistic

INCOME

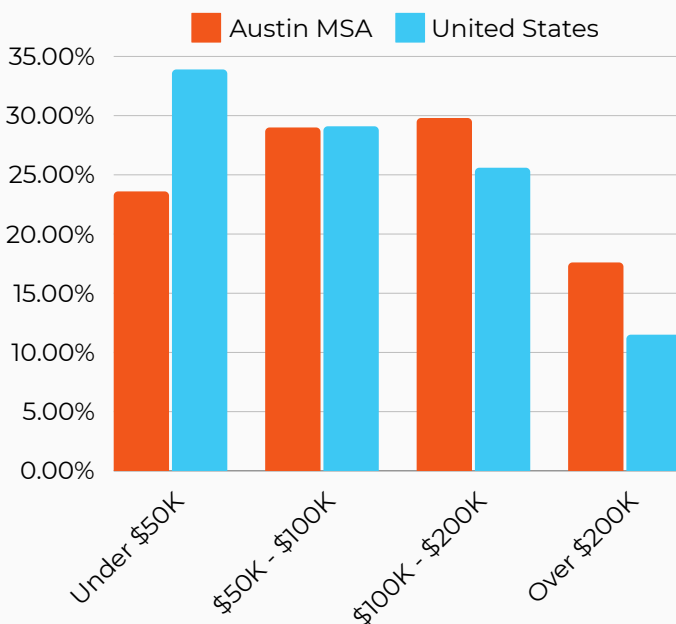


From the correlation and overall trends shown in Average Hourly Earnings of All Employees, the data evidenced a consistent increase in average hourly earnings of all employees from 2007 to 2024 in the Austin MSA.

Household income in the Austin MSA is highest around 29.80% in the \$100-200k range, followed closely by the second largest group in the \$50-100k range of about 20.00%. In contrast, the highest portion of household income in the United States is 33.90% of the population having a household income of under \$50k.

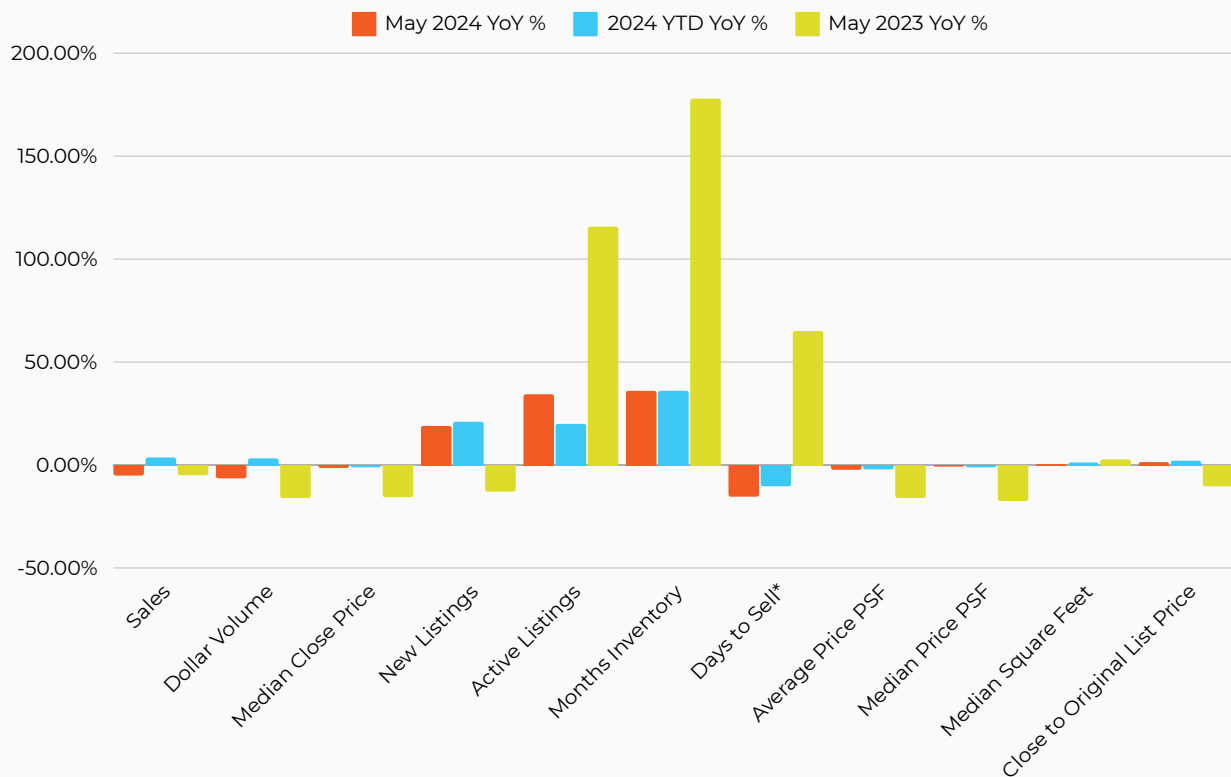
The Austin MSA has a relatively affluent population compared to the national average, indicating a strong local economy, higher spending power, and financial stability. This economic strength may attract businesses and support local services in the area.

However, higher household incomes may also lead to increased cost of living, housing prices, workforce imbalance, and infrastructure strain.



Source (s): Census Reporter

HOUSING MARKET



In the Austin MSA for housing, YOY change in metrics for May 2023 and May 2024 shows stark differences:

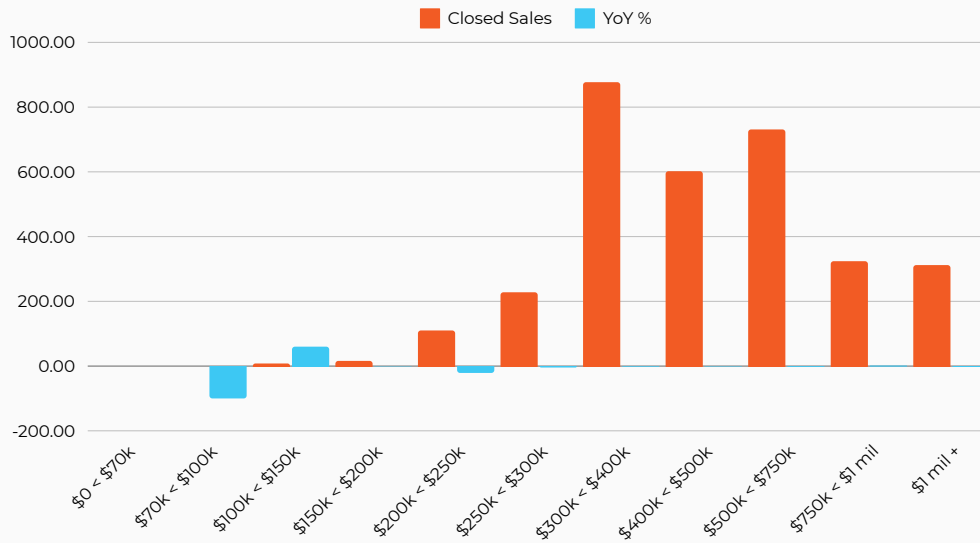
May 2024 YOY change percentages are relatively stable and within a YOY 50% change. They closely parallel 2024 YTD YOY changes, with the exceptions of sales prices and dollar volume, where May 2024 YOY changes were negative and 2024 YTD YOY changes were positive.

Both May 2024 YOY and 2024 YTD YOY statistics for changes in Days to Sell reach beyond a 10% decrease YOY, indicating homes are being sold quickly after being listed. This measure of high homeowner purchasing in 2024 could be due to the contrasting inflationary spike from 2022 to 2023, where high inflation fueled high mortgage rates nationwide and dissuaded homeowner purchasing.

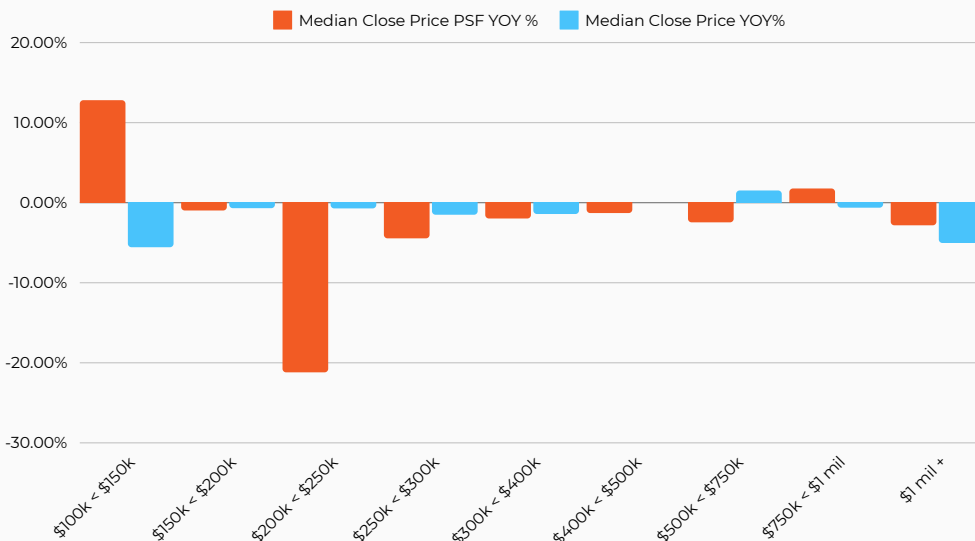
May 2023 YOY change percentages the data shows a large amount of negative YOY percent change data points. The data also shows immense positive changes in Active Listings, Months Inventories, and Days to Sell, all of which are beyond the bounds of a YOY 50% increase.

Source (s): Texas Research Real Estate Center, Austin Board of Realtors

HOUSING MARKET

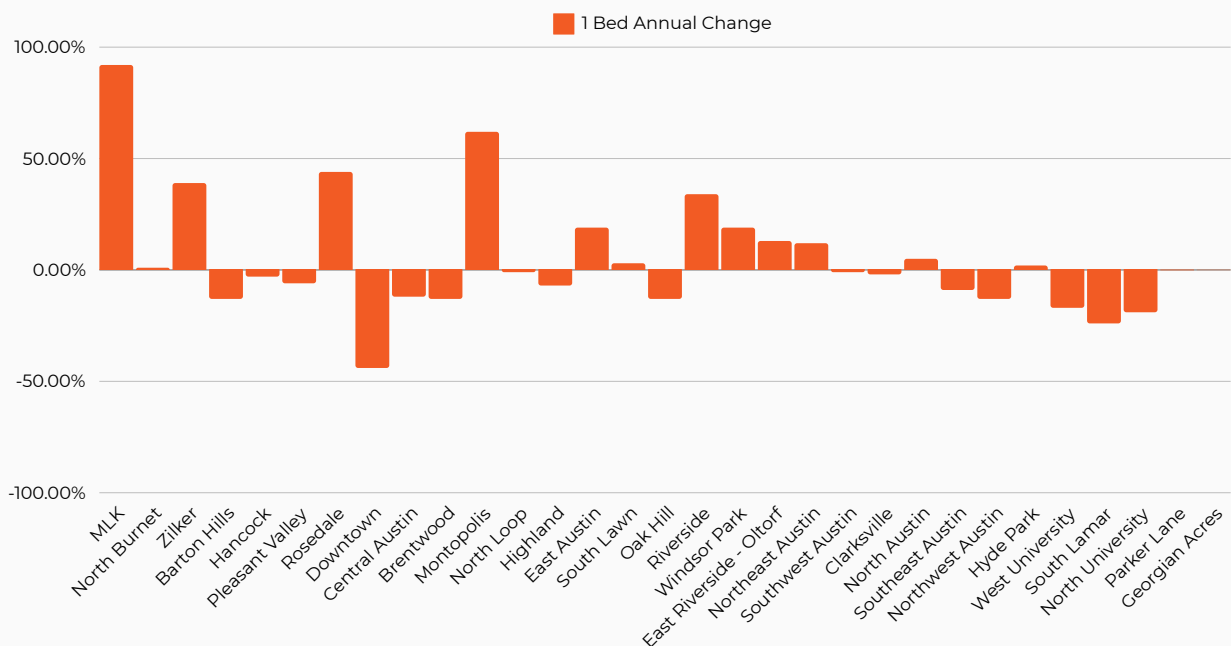


In the Austin MSA for housing, YOY change in metrics for price cohort analysis in May 2024 shows that more higher-priced houses are being sold, with the bulk being between \$300K and \$400K prices. Price cohort values between \$70K and \$100K have seen closed sales decrease by 100%. The \$100k < \$150k cohort had a significant 12.81% increase in Median Close Price Per Square Foot (PSF) but a 5.56% decrease in Median Close Price. Conversely, the \$200k < \$250k range experienced a sharp 21.19% drop in PSF. The \$500k < \$750k cohort saw a 2.45% decline in PSF but a 1.53% rise in Median Close Price, indicating demand resilience in higher price brackets. The \$1 million+ range had a notable 5.03% decrease in Median Close Price, highlighting a softening at the top end of the market.



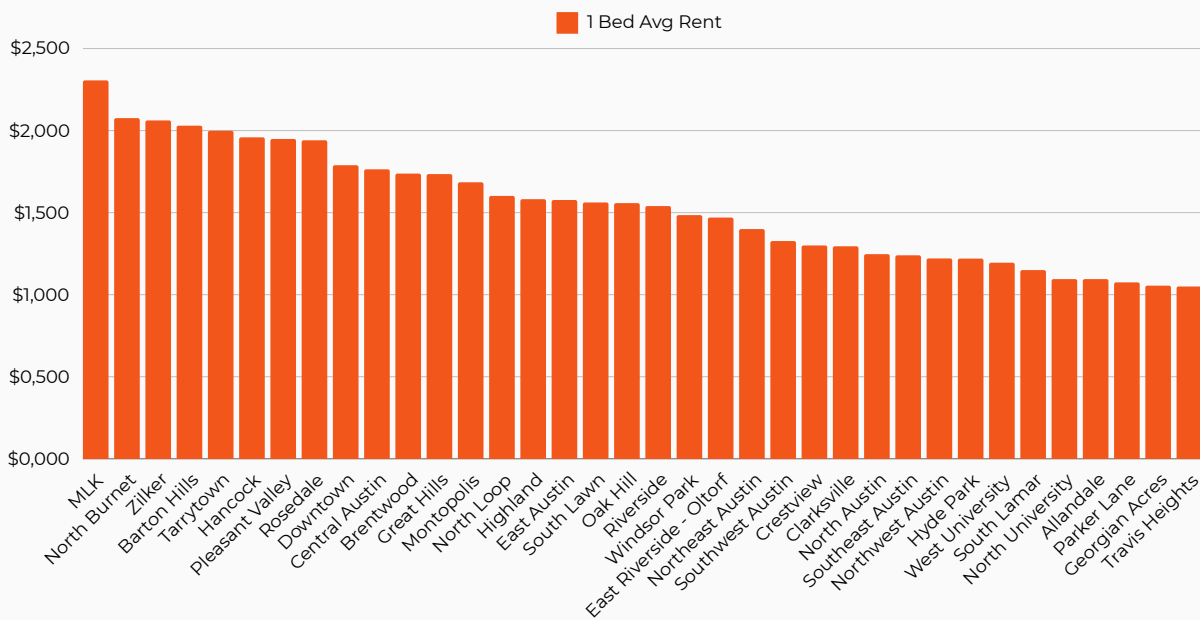
Source (s): Texas Research Real Estate Center

RENTAL MARKET



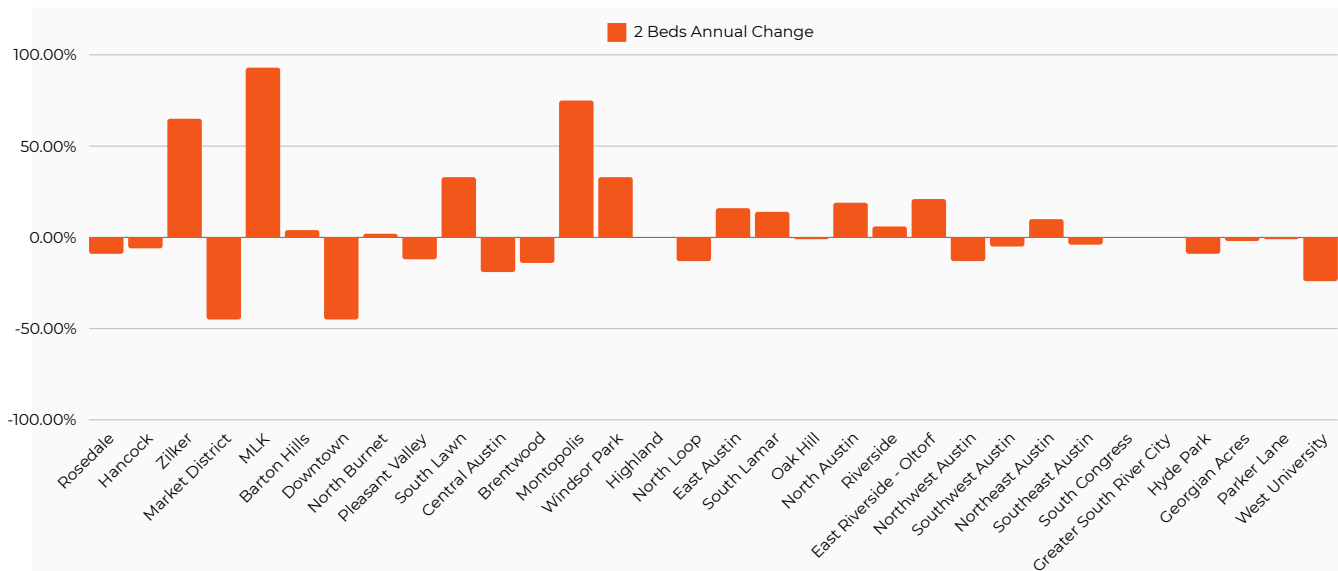
In the Austin MSA, on average, annual changes in rent for a one-bedroom have either increased or decreased by 40% overall. However, Downtown has seen a 44% decrease in annual change in rent. Conversely, Rosedale has seen a 44% increase in annual change in rent. In addition, annual changes in rent in Montopolis have increased by 62% and MLK annual changes in rent have increased by 92%.

South Congress has the highest average rent at \$2,306 per month, and Travis Heights has the lowest average rent at \$1,050 per month.



Source (s): Rent.com

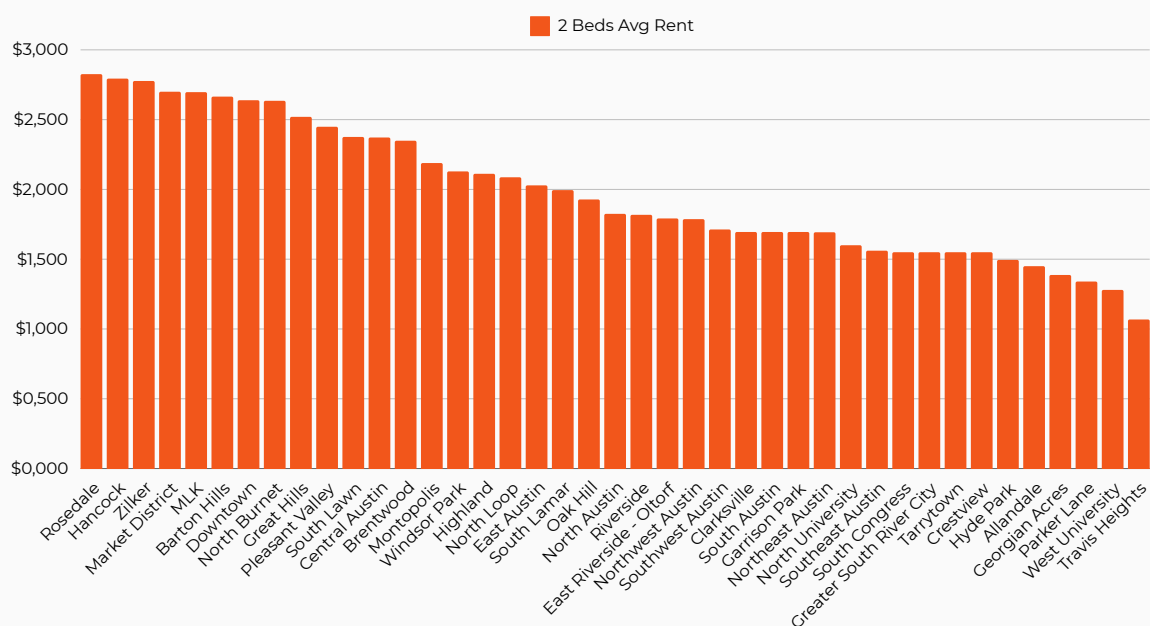
RENTAL MARKET



Annual changes in rent for a two-bedroom are sparsely with very few neighborhoods having annual changes in rent either lower or higher than 40%. However, Downtown (-45%) and Market District (-45%) have all experienced a decrease in annual change in rent of over 40%.

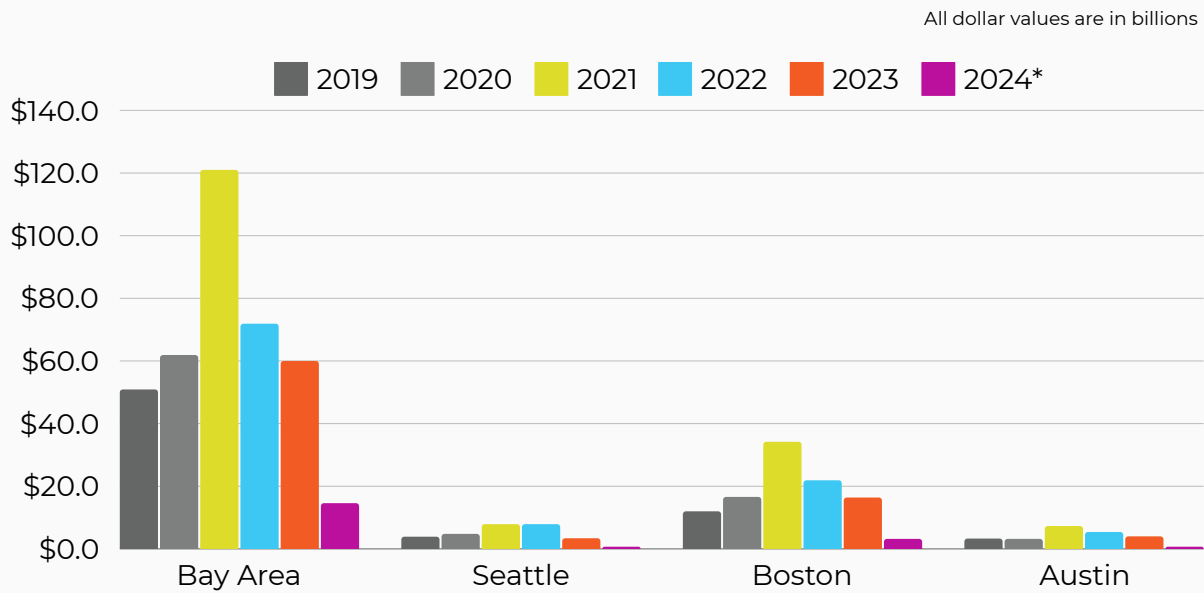
In addition, and conversely, Montopolis (+75%), MLK (+93%), and Zilker (+65%) have experienced an increased change in annual change in rent of over 20%.

Rosedale has the highest average rent at \$2,826 per month, and Travis Heights has the lowest average rent at \$1,068 per month.



Source (s): Rent.com

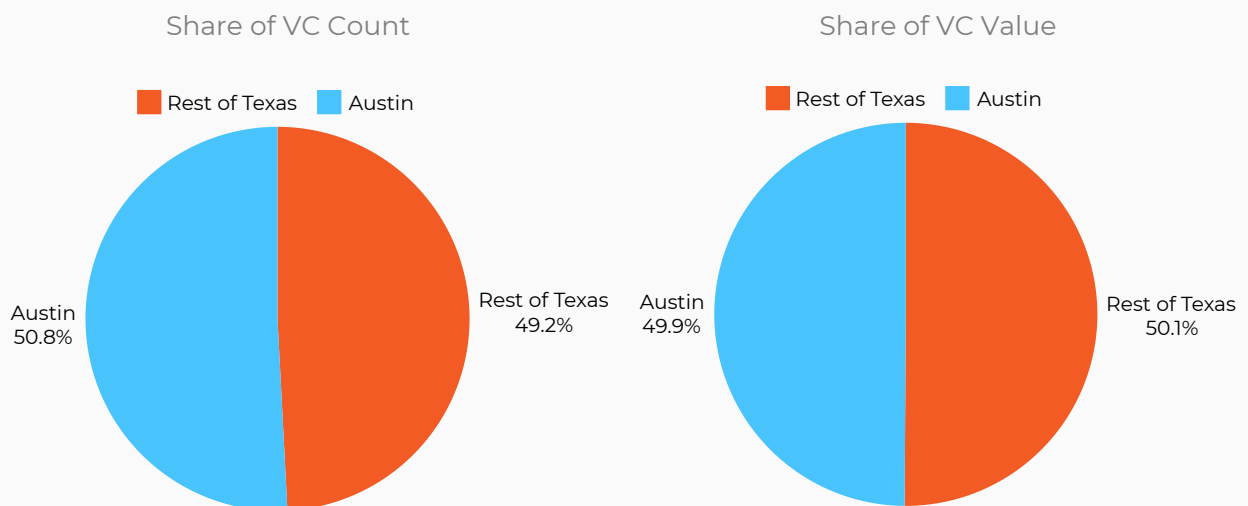
VENTURE CAPITAL



The data shows that compared to similar metropolis-based cities, Austin MSA is performing lower by value in VCs.

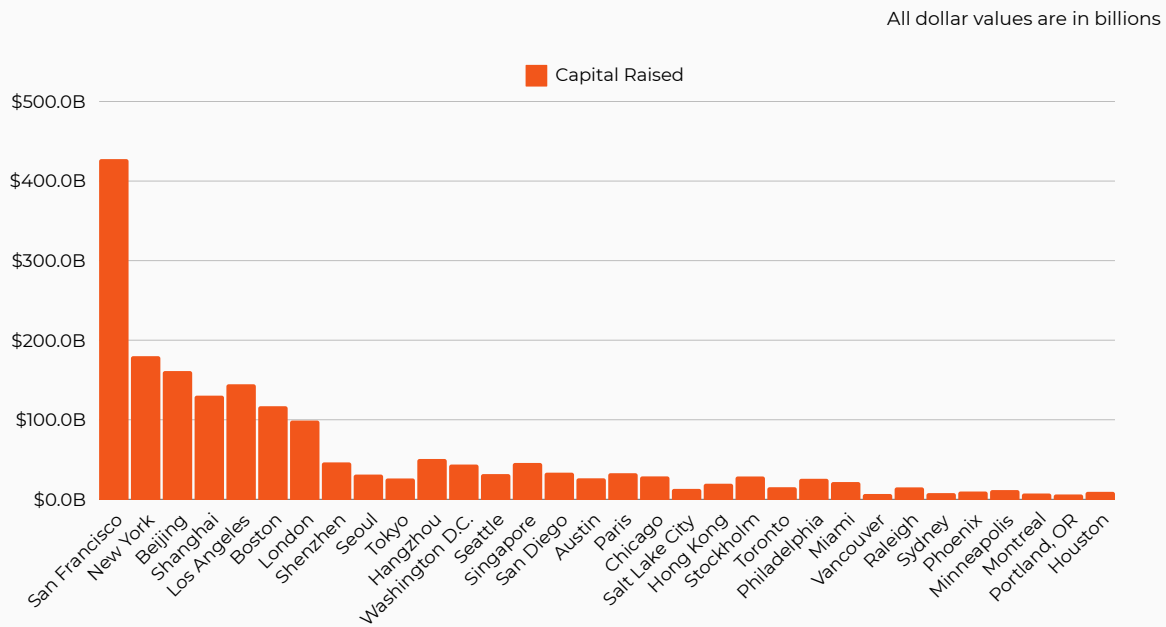
This may suggest that Austin MSA could evaluate where it could emulate similar infrastructure/business models to allow the continued growth of entrepreneurship and business.

Austin MSA holds a tremendous proportion of both VC count and values across the state of Texas; Austin holds more than half in both VC count and values from the rest of the state of Texas.

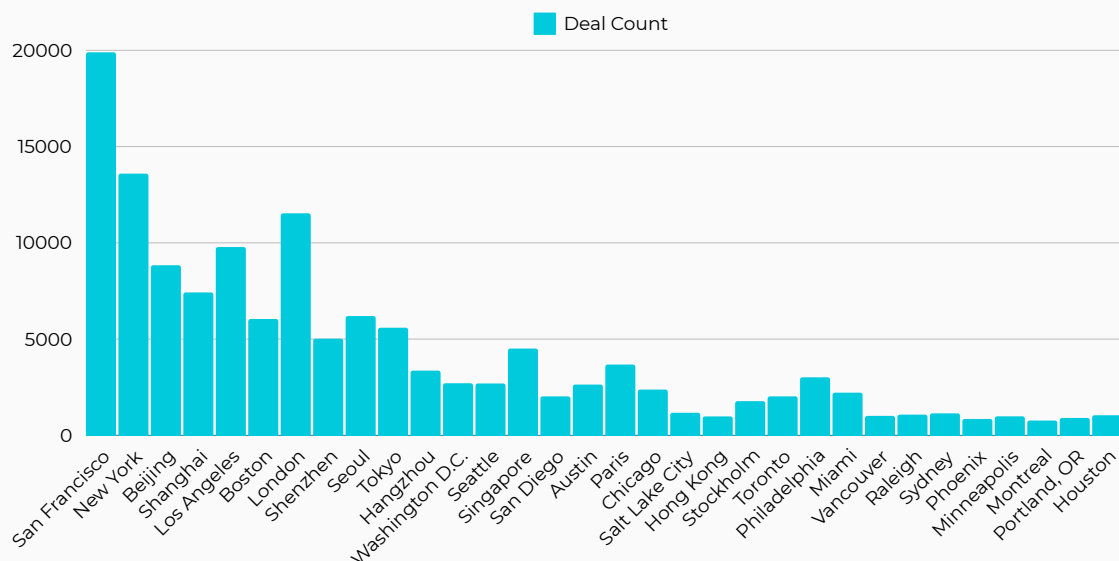


Source (s): Pitchbook

ENTREPRENEURSHIP

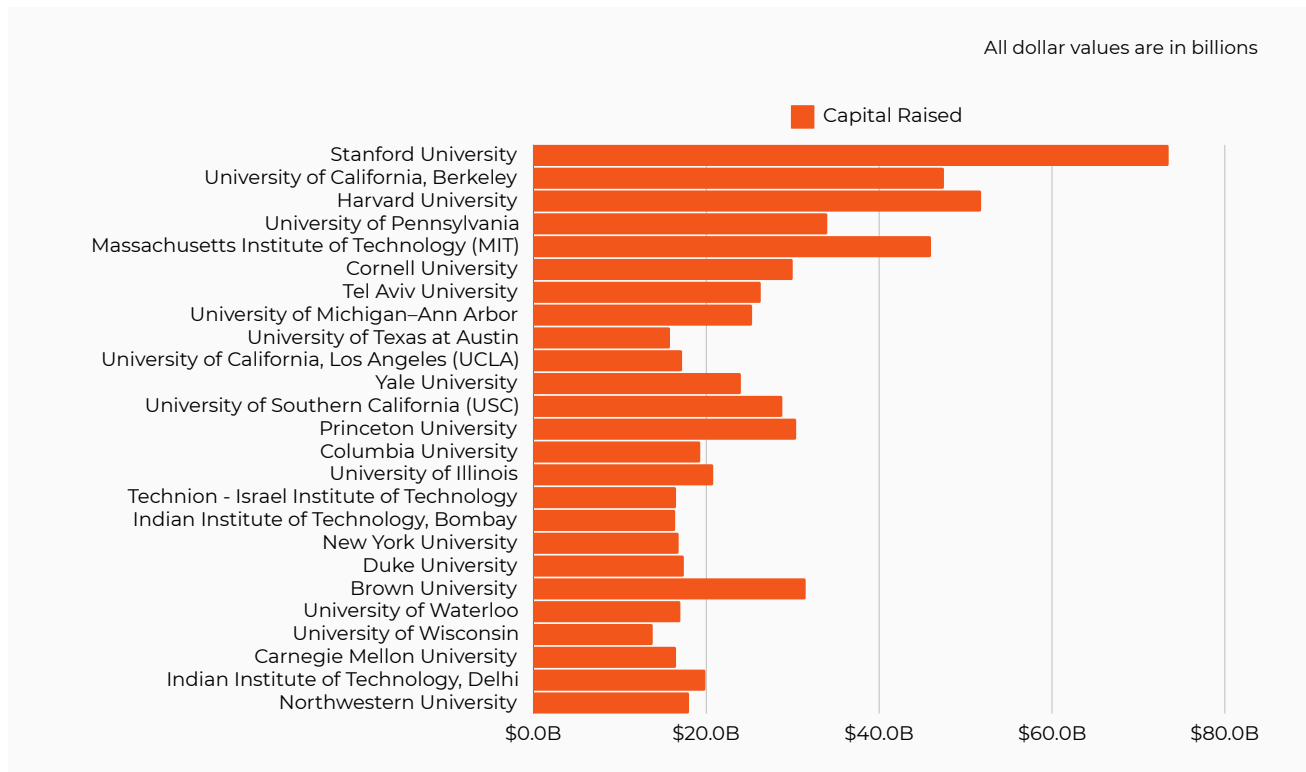


As of April 2024, over the last 6 years, Austin MSA ranks 20th amongst cities globally with the largest capital raised in the startup landscape at \$26.4B. Austin MSA leads over other notable cities such as Salt Lake City, Hong Kong, Toronto, Philadelphia, Miami, Vancouver, and Houston. Austin MSA also ranks 17th amongst cities globally with the largest deal counts in the startup landscape at 2,636. Austin MSA leads over other notable cities such as Chicago, San Diego, Salt Lake City, Hong Kong, Toronto, Miami, and Houston. The data indicates that Austin is one of the leading cities at the forefront of entrepreneurship.

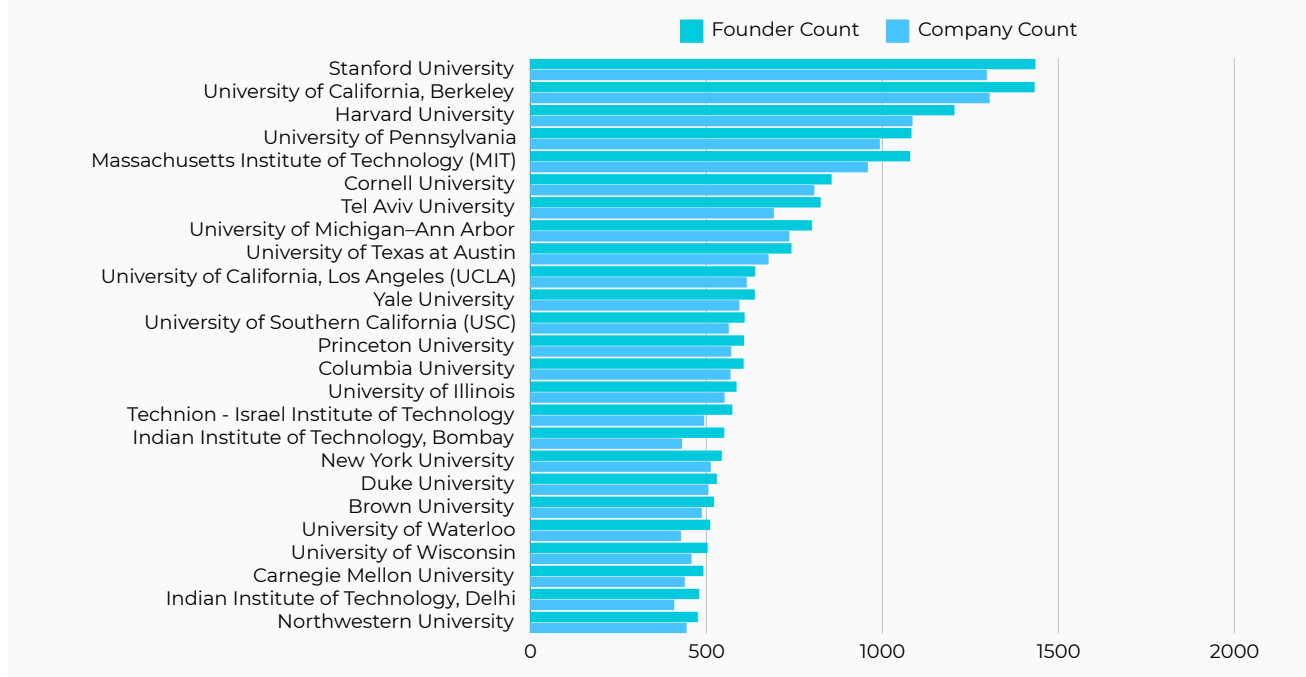


Source (s): Pitchbook

ENTREPRENEURSHIP



As of September 2023, over the last 10 years, the University of Texas at Austin ranks 19th in capital raised and 9th in both founder and company counts in the startup landscape globally. The data suggests what is observed in previous data and substantiates the strength of the Austin economy and possible indicators of entrepreneurial success.

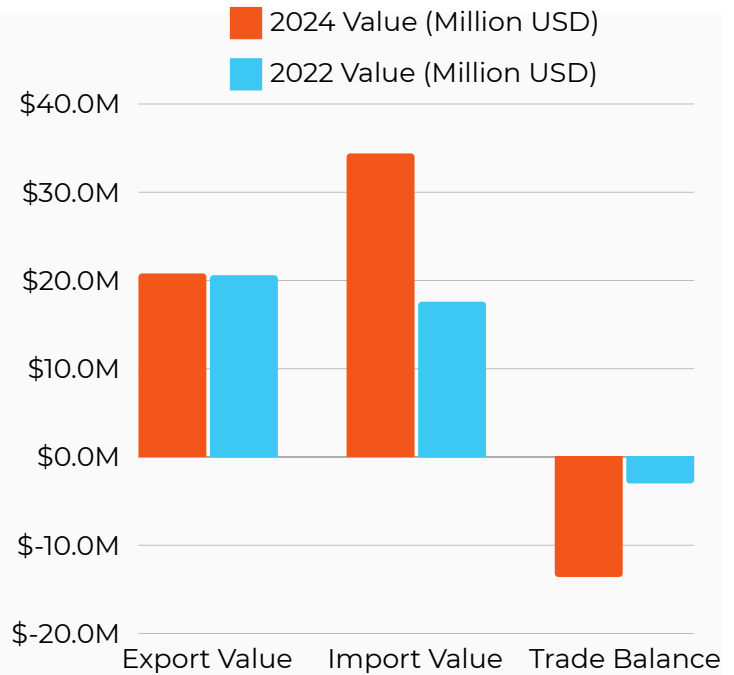


Source (s): Pitchbook

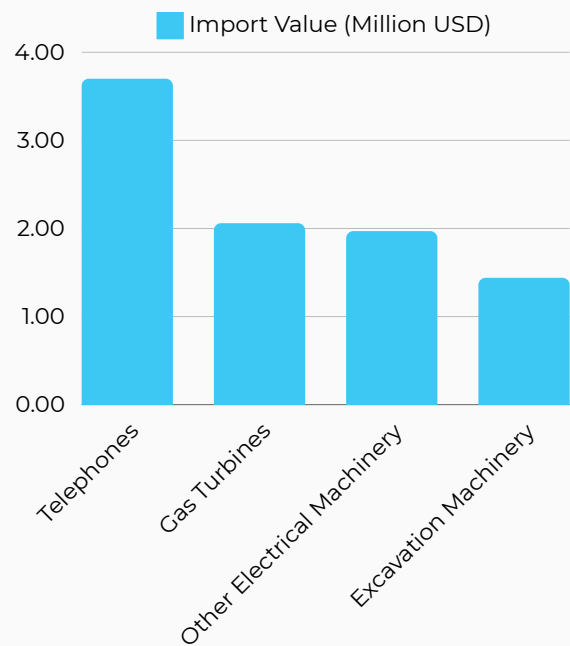
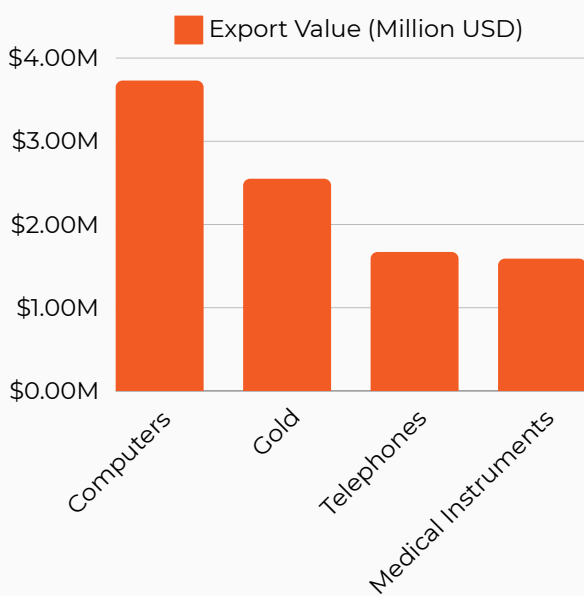
TRADE

The data from March 2022 to March 2024 shows a large increase in import value and similar export values in the Austin MSA.

In March 2022, the data shows a negative trade balance of \$3.0M. In March 2024, however, the data shows a negative trade balance at a much larger margin of \$13.6M.

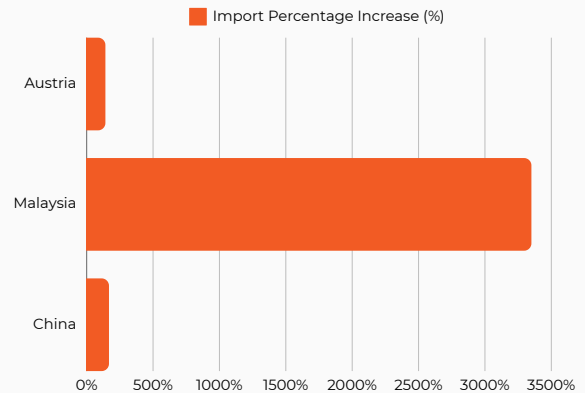
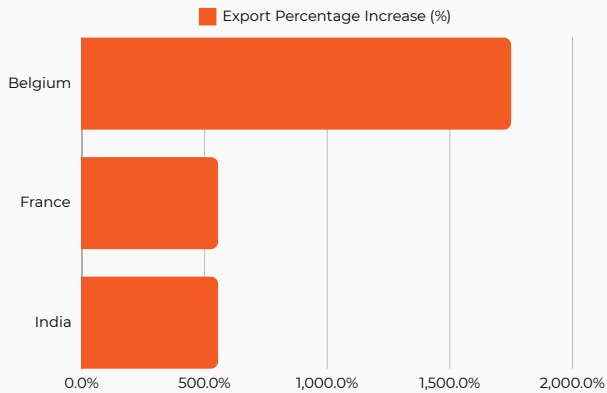
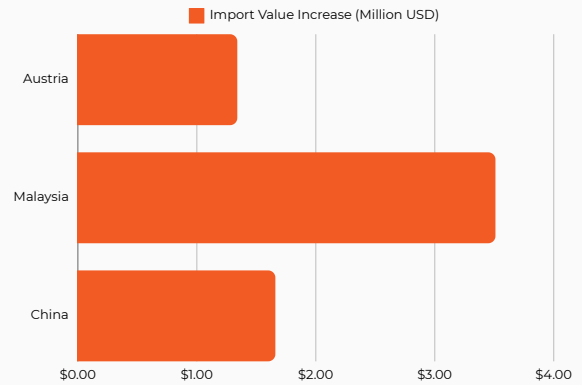
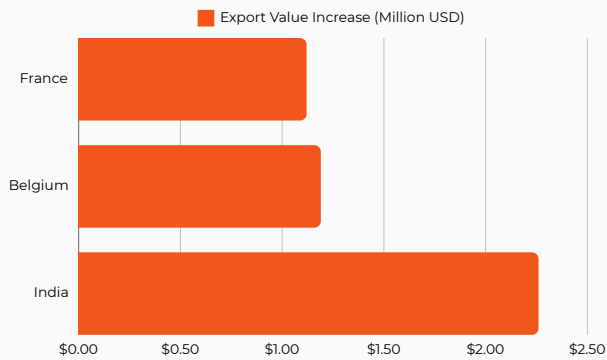


The data from March 2024 in the Austin MSA shows the largest export value from computers and the largest import value from telephones. The data shows exports primarily in the manufacturing, tech, and medical fields with telephones, computers, gold, and medical instruments. The data shows imports primarily in telephones, gas turbines, other electrical machinery, and excavation machinery, indicative of a possible surge in the energy sector.



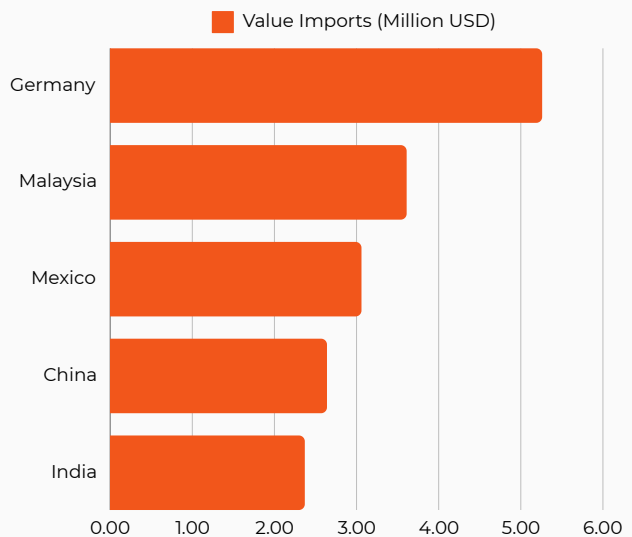
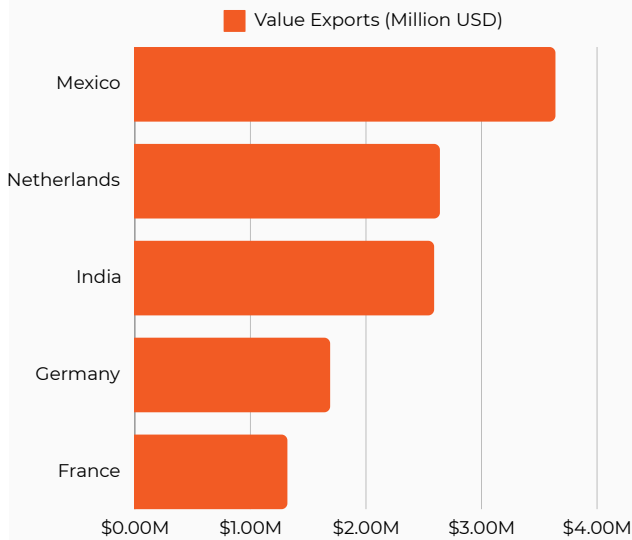
Source (s): The Observatory of Economic Complexity

TRADE



For Year-by-Year growth in Austin MSA, the data shows a large import and export base from and to East Asian countries in addition to some European countries. Most notable being France, Belgium, Germany, and Austria. Mexico is also resurging as a top-valued exporter and importer to the Austin MSA.

The data also shows an increase in exports from Malaysia at 3,350% which is far higher than any other export country. India is also a top import origin and a top export destination to and from Austin, TX.



Source (s): The Observatory of Economic Complexity

PROJECT TEAM



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