

Austin, Texas

Rental Real Estate Overview 2023

Ranked as [#1 in Best Places to Live in Texas](#) as well as #13 in Best Places to Live in the U.S., Austin is an up-and-coming city with endless opportunities. This recent hot spot in the Lone Star State is attractive to residents and owners alike. So, perhaps, the location of that next perfect investment property?

Continue reading to discover more about the incredible capital of Texas.

About Austin, Texas

Today, the capital of the Lonestar State is a vibrant, hip metro, but it wasn't always that. For hundreds of years, nomadic Native American tribes roamed the area along the Colorado River that is now known as Austin.

It wasn't until the [1830s](#) that the first permanent settlement of Waterloo was founded along the river. In [1839](#), the small town of Waterloo was selected as the capital of the new Republic of Texas. The city was renamed Austin, in honor of Stephen Austin, the "Father of Texas."

Once a permanent bridge was constructed across the Colorado River and the Houston and Texas Central Railroad arrived in Austin in 1871, the city became the key trade center for the region. The University of Texas at Austin opened its doors in 1883 bringing a wave of students to the area. Throughout the rest of the century, Austin grew exponentially.

Advertised as the "seventh-largest building in the world", Austin's capitol building was completed in 1888. This impressive structure is still a notable landmark on Austin's iconic skyline.

Dams were built to harness the power of the Colorado River in the early 20th century, which in turn brought manufacturers to Austin. Following the Great Depression, like many other cities, Austin shifted from the manufacturing industry to technology. The founding of multiple research laboratories and think tanks began to draw high tech companies, and continue to do so today.

Austin's population has been consistently rising since, as its prospering economy continues attracting residents and businesses alike. Austin has become well-known as an incredible city to visit, live, work, and invest!



CITY STATISTICS

Population

1,013,293 (city proper)
2,352,426 (greater area)

Median Income

\$53,937 /capita
\$79,542 /household

Median Age

34.4

Area

319.9 sq. mi.

Unemployment rate

3.3%

GDP

\$193.774 billion

Highest Paying Jobs

Obstetricians and Gynecologists, General Pediatricians, Chief Executives, Family Medicine Physicians, All Other Physicians, Architectural and Engineering Managers, Petroleum Engineers, Financial Managers

Major employers

The State of Texas, The University of Texas at Austin, H-E-B, Dell Technologies, City of Austin, The Federal Government, Ascension Seton, Austin Independent School District

AUSTIN REAL ESTATE MARKET STATISTICS

258

Neighborhoods

4,123

Homes for sale
as of March 2023

\$610K

Median List
Price

\$600,304

Median Sold
Price

\$349

Median Price per
Square Foot

98%

Sale-to-List
Price Ratio

92

Median Days
on Market

\$1,825

Median Monthly
Rent

0.9%

1-Year
Appreciation Rate

27.41

Price-To-Rent
Ratio

6.2%

Rental Vacancy
Rate

1.2%

Homeowner Vacancy
Rate

MOST EXPENSIVE NEIGHBORHOODS

Neighborhood	Average Monthly Rent	Median Listing Price
Barton Creek	\$2,550	\$2,101,960
Rockcliff Estates	\$3,341	\$2,007,970
Old Enfield	\$2,647	\$1,701,655
Summit At West Rim On Mount Larson/ Tierra Madrones	\$4,106	\$1,687,185
Tarrytown	\$3,286	\$1,651,699

LEAST EXPENSIVE NEIGHBORHOODS

Neighborhood	Average Monthly Rent	Median Listing Price
Daffan Ln/Gatecrest	\$2,053	\$40,321
Johnny Morris Rd/ Old Manor Rd	\$2,229	\$104,816
Onion Creek Park	\$1,752	\$189,431
Colony Park	\$2,388	\$203,217
Hornsby Bend	\$2,766	\$228,806

LOOKING FOR AN INVESTOR-FRIENDLY AGENT?

From accessing off-market deals, to building a team, to determining the right rental rates, buying properties in a new market can prove tough for any investor. That's why we launched Everest Brokerage.

Invest in [some of the best real estate markets](#) in the United States. Working with Everest's in-house brokerage team of investor-friendly real estate agents is the most efficient way to build a local team and grow your rental portfolio.

It's simple. Visit our website, pick your market, fill out the form, and a member of our team will get back to you within 24 hours.

Get started here
TODAY!



AT-A-GLANCE PROS AND CONS TO INVESTING IN AUSTIN

When looking at any new real estate market, it's important to consider all aspects of investing in the area. Considerations like quality of life, overall affordability, and school choice will impact your long-term investment even if they aren't a direct factor in your buying decision.

Here are a few pros and cons of investing in Austin, TX. These will have a different impact on you depending on your risk tolerance and investment strategy. Don't have an investment strategy yet? No worries - just [get in touch with our team](#) to put together a solid plan today.

Pros of Austin, TX

- Incredible food scene
- No state income tax
- Music and culture
- Outdoor environment and accessibility
- Great schools
- Moderate-sized international airport
- Established job market
- Years of history
- Mild winters
- Moderate cost of living

Cons of Austin, TX

- Hot summers
- Traffic
- Lack of cultural diversity
- Poor public transportation
- High property taxes
- Long allergy season
- Limited pro sports teams

FIVE REASONS TO INVEST IN AUSTIN REAL ESTATE

Are you considering investing in Austin real estate? With its flourishing economy, growing population, and reasonable cost of living, Austin has been attracting the attention of real estate investors for years. There are many reasons to consider adding Austin real estate to your portfolio, but here are our top 5:

1. Music and Culture
2. Educational Opportunities
3. Population Growth
4. Great for Rentals
5. Booming Job Market



1.

MUSIC AND CULTURE

As the “Live Music Capital of the World”, Austin is home to [more live music venues](#) than any other U.S. city (per capita). Indoor and outdoor live music venues can be found practically anywhere in the city; live music is even played at the Austin-Bergstrom International Airport.

[Top music venues](#) in Austin include:

- Stubb’s Bar-B-Q
- Mohawk
- Cedar Creek Courtyard
- Moody Amphitheater
- Antone’s
- Parish
- Emo’s

Austin has long been celebrated for its music scene and the various cultural influences that have shaped what it is today. In fact, many musical genres can trace their roots back to Austin in some way or another including:

- [Blues and Soul](#): Austin has been influential in the blues scene since the early 1900s. Roosevelt Thomas Williams shaped the blues sound of Austin in the 1920s. Other notable Austin blues and soul musicians include “Pee Wee” Crayton, Hosea Hargrove, T.D Bell, Erbie Bowser, Ernie Mae Miller, and the Eastside Kings.
- [Country](#): The founding of venues such as Armadillo World Headquarters and Threadgills in the 1970s brought many country musicians from Nashville including Willie Nelson, Marcia Ball, and Ray Wiley Hubbard.
- [Folk](#): Austin’s folk music was shaped by German immigrants who established some of the first entertainment centers in the region such as German biergartens and dance halls. Traditional folk music shaped many Americana genres like country, blues, and gospel.
- [Hip Hop and R&B](#): As the hip-hop genre began to become popular in the early 1980s, Austin local, MC Overlord, launched a successful 30-year rap career. He also promoted the success of other hip hop artists by featuring them at Hip Hop City, a club in downtown Austin.
- [Jazz](#): The history of Jazz in Austin can be traced back to the 1920s with the founding of some of the first Black-owned venues in Austin. Jazz musi-

cians from Austin include Teddy Wilson, Oscar Moore, Dr. James Polk, Tina Marsh, Martin Banks, Rich Harney, and many more.

- [Tejano and Latin](#): The influence of Latin culture in Austin can still be found in the Tejano genre of music. Manuel “Cowboy” Donley, widely known as the “Godfather of Tejano Music” combined elements from Mexican and American pop to create a signature sound. Many credit him for making Austin’s Latin music scene as popular as it is today.

World-renowned music festivals bring thousands of visitors from around the globe to Austin. The [Old Settler’s Music Festival](#) is a family-friendly festival held each spring and features bluegrass, acoustic jazz, and blues. The [Austin City Limits Music Festival](#) is a two-weekend event where more than 130 artists and bands from around the world perform. The [South by Southwest Conference](#) brings filmmakers, musicians, and multimedia artists from around the world and has helped to bring international attention to Austin’s music scene.

Whether you’re interested in short-term rentals or finding a year-round tenant, the thriving arts and culture scene is sure to work in your favor.



2.

EDUCATIONAL OPPORTUNITIES

Highly rated educational facilities contribute to quality of life as well as provide a well educated population to enter the workforce. Austin boasts a highly educated population with close to [60%](#) of adults in Austin over the age of 25 holding a bachelor's degree or higher, almost double the rate in broader Texas.

The city of Austin has 94 public elementary, middle, and high schools as well as 113 private schools. Fifty-eight Austin high schools have been listed on [U.S. News & World Report's Best High School rankings](#).

When it comes to higher education, Austin has plenty to offer as well. Every year, the 27 public and private universities and colleges in the Austin metro enroll approximately [180,000 students](#) combined. Most well-known is the University of Texas at Austin which has been accepting students since 1883. It is [one of the largest schools](#) in the U.S. and aspires to be "[a university of the first class](#)". Other top colleges and universities in the Austin area include:

- Texas State University
- Temple College
- Central Texas College
- Texas A&M University-Central Texas
- St. Edward's University
- Concordia University Texas

The emphasis on education attracts both families looking for high quality schools for their children and college-aged students looking for first-rate colleges and universities in a lively city. This in turn brings a consistent stream of residents looking for housing.



3.

BOOMING JOB MARKET

Austin has a diverse job market with employment opportunities available in a wide range of industries. [Key industries](#) in Austin include:

- Advanced manufacturing
- Clean technology
- Automotive engineering and manufacturing
- Creative media technology
- Data management
- Financial services and insurance
- Life sciences
- Space technology
- State and federal government

Like every other U.S. city, the COVID-19 pandemic took a toll on Austin's economy, however it bounced back quickly. By [May 2021](#), Austin recovered all pandemic-related job losses, faster than all other Texas metro areas. In 2022, Austin added nearly [51,000 jobs](#) making the city's economy one of the fastest-growing in the U.S..

Growth in the tech industry has been a significant driving force in Austin's economical success. Austin's high concentration of high-tech industry has earned it the nickname "Silicon Hills." Tech employment has grown [24.4%](#) in the last five years and is predicted to grow [16%](#) in the next five years. Major tech companies like Apple, Microsoft, Amazon, Google, and Meta all have headquarters in Austin, employing thousands of people.

Despite fears of a recession, Austin's economy remains steady, with unemployment sitting at [3.3%](#), lower than the [national average](#). Due to Austin's healthy economy and diverse job market, it has weathered economic slowdowns in the past better than other cities in the nation and that trend is likely to continue.



4.

POPULATION GROWTH

Austin's flourishing job market has been drawing residents to the city resulting in a significant population increase in recent years. According to the U.S. Census, between 2010 and 2020, the city of [Austin added over 171,000 people](#), a 21.7% gain in 10 years. The Austin metro population grew [34%](#) over that same time-frame.

While the COVID-19 pandemic in 2020 halted population growth in many cities, that was not the case for Austin. The Austin area was one of the top destinations for people looking to relocate to a different metro area during and after the pandemic. Approximately [18%](#) of people leaving San Francisco in 2020 relocated to Austin.

Austin has been particularly attractive to people in the Millennial age group. Millennials currently make up nearly [31.3% of people](#) in Austin, and that number is growing. In fact, a new study by [SmartAsset](#) shows that more Millennials are moving to Austin than any other city in the nation.

The exponential growth Austin has seen in recent years shows no indication of slowing. Austin's population increases by an average of 184 people per day. The housing demand that results from continued growth presents a great opportunity for real estate investors!



5.

GREAT FOR RENTALS

Even with high property taxes, Texas is still a landlord-friendly state. That is due to a number of [favorable laws](#), including:

- **Landlord licensure** - While local laws may require a license, Texas does not have any statewide requirement regarding landlord licenses.
- **Rent control laws** - Texas has no laws in place limiting the amount a landlord can charge for rent.
- **Security deposits** - There is no legal limit to the security deposit amount a landlord can request from a tenant in Texas. Also, landlords have 30 days following a lease ending to return a tenant's security deposit, giving the landlord plenty of time to thoroughly inspect the rental for damage.
- **Eviction** - When a tenant does not pay rent, landlords in Texas are not required to provide a Notice to Pay or Quit. Instead, landlords can simply provide the tenant with three days notice to vacate the rental.

Landlord-friendly laws are not the only factors making Austin a prime location for rental property. Austin has low [rental vacancy rates](#), making rental units more likely to consistently remain occupied.

The rapidly growing population is also creating high-demand for housing units in Austin. Currently, [55% of housing units](#) in Austin are rentals, however the supply of rental units available in Austin is still struggling to match demand.

This high demand has been steadily driving up rental prices. In 2022, Austin [rent prices](#) climbed almost 10%. The average rent for a one-bedroom apartment in Austin is currently [\\$1,825](#). According to [The Federal Reserve Bank of Dallas](#) rental rates can be expected to continue climbing through May 2023 and then moderate through the remainder of the year.

AUSTIN REAL ESTATE PREDICTIONS

While the real estate market in any location cannot be predicted with 100% accuracy, studying local trends and statistics can help investors settle on a smart investment.

Below are a few factors likely to impact the Austin housing market in 2023.

Austin metro home prices will likely decline slightly.

[Data](#) from the Zillow Home Value Forecast predicts that home prices in the Austin metro will drop 2.1% between January 2023 to January 2024. That being said, demand for real estate in Austin is still high and inventory remains low.

The job market in Austin will continue to flourish.

Austin's job market has experienced a boom in recent years. By all appearances, job growth in Austin is not going to slow. Over the next ten years, experts predict that Austin's job market will increase by [47%](#), over 13% higher than the U.S. average.

Austin's population will continue to grow.

The high quality of life, reasonable cost of living, and robust economy in Austin continues to attract people from all over the nation. Over the next twenty years the Austin metro area population is predicted to double, reaching [4.5 million](#).

INVEST WITH EVERNEST

Every investment opportunity comes with risk, but it's even harder to know what to do when the whole world fears a recession. With every news source calling for a "collapse" of some sort or predicting "another bubble," how can you sort through the fluff and find the most valuable markets for your money?

That's why it's crucial to have a team surrounding you as you build wealth and make investment decisions. Knowledgeable investment teams can help you avoid the common mistakes most investors make (and give you the extra boost of confidence to know you're making a smart investment decision, *even in the most unpredictable markets.*)

Here at [Evernest](#), we've been investing in markets all across the United States since 2008. And not only that—we've also been [analyzing and sharing our information](#) about these opportunity-filled markets, in good times and bad, for other investors to study.

Our local team can be your eyes and ears in the Austin real estate world, saving you hours of time (and a few headaches as well). We'll connect you with investor-friendly real estate agents and advisors to make your wealth-building journey smooth and successful.

Ready to invest with the help of a qualified team?

[Let's talk.](#)

Are you an investor not just limited to Austin or Texas? You can invest in [some of the best real estate markets](#) in the United States by working with Evernest's in-house Brokerage team of investor-friendly Real Estate Agents. All you have to do is fill out this [form](#) and one of our agents will reach out within 24 hours.

*Make the best investments in the most attractive markets
with Evernest.....in good times and bad.*

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