

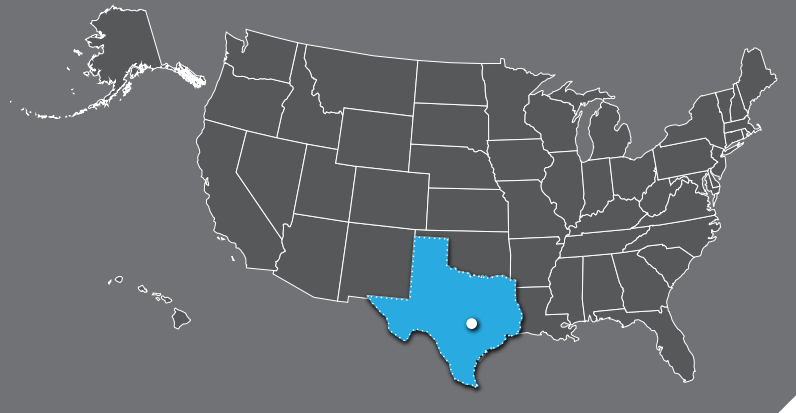
# HUD PD&R Housing Market Profiles

## Austin-Round Rock, Texas



### Quick Facts About Austin-Round Rock

- Current sales market conditions: balanced
- Current apartment market conditions: soft
- The Austin-Round Rock metropolitan area—or “Silicon Hills,” with more than 5,500 startups and technology companies—has established itself as a technology epicenter in the state. Approximately 16.3 percent of all jobs in the Austin-Round Rock metropolitan area are in sectors associated with the technology industry compared with 9.0 percent nationally (Austin Chamber).



Austin, Texas

By [Cameron Ehrlich](#) | As of January 1, 2025

### Overview

The Austin-Round Rock Metropolitan Statistical Area (hereafter, Austin metropolitan area) is defined as Bastrop, Caldwell, Hays, Travis, and Williamson Counties in Texas. The city of Austin, in Travis County, is the state capital and the home of the flagship campus of the University of Texas (UT). The metropolitan area is in central Texas, northwest of the San Antonio-New Braunfels Metropolitan Statistical Area, and is bisected by Interstate 35 (I-35).

- As of January 1, 2025, the population of the metropolitan area is estimated at nearly 2.56 million, an average annual increase of 57,650, or 2.4 percent, annually since April 2020 (U.S. Census Bureau; estimates by the analyst).
- Population growth can be separated into two main periods. From 2020 to 2022, population growth averaged 2.6 percent annually, with net in-migration averaging 47,850 people each year, but since 2022, population growth has slowed to an average of 2.2 percent annually, with net in-migration averaging 36,800 people a year (Census Bureau population estimates as of July 1; estimates by the analyst).

continued on page 2



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continued from page 1

Net in-migration accounted for nearly 69 percent of the population growth since 2022 compared with 78 percent from 2020 to 2022.

- With approximately 1.36 million residents, Travis County is the most populous county in the metropolitan area, accounting for 53 percent of the metropolitan area population. Williamson and Hays Counties are the second and third most populous counties, with 734,500

and 295,500 residents, or nearly 29 and 12 percent of the metropolitan area population, respectively.

- The metropolitan area has a highly educated workforce that attracts many companies. In 2023, 52 percent of the population aged 25 or older had a bachelor's degree or higher—significantly higher than the respective national and state averages of 36 and 34 percent (2023 American Community Survey).

## Economic Conditions

Economic conditions remain positive in the Austin metropolitan area but have moderated from recent high rates of growth. Nonfarm payrolls averaged nearly 1.38 million jobs as of the fourth quarter of 2024, up by 21,500 jobs, or 1.6 percent, from the same period a year ago, when job growth was 3.2 percent. By comparison, job growth for the Southwest region and the nation averaged 1.8 and 1.2 percent, respectively. For context, the economy expanded at a fourth quarter average of 4.3 percent from 2015 through 2022.

As of the fourth quarter of 2024—

- The fastest nonfarm payroll growth was in the mining, logging, and construction sector, increasing by 4,400 jobs, or 5.1 percent, from a year ago. Business relocations, a surge of new residents, and industrial investments along I-35 led to residential and nonresidential construction remaining elevated throughout the year.

- Nonfarm payroll growth was strong in the government and the leisure and hospitality sectors, which increased by 5,800 and 4,300 jobs, or 2.9 percent each, to 202,600 and 151,900 jobs, respectively. The annual Formula 1 United States Grand Prix, which attracted more than 400,000 visitors in 2024, plus the college football game between UT and the University of Georgia—both in October—supported gains in the leisure and hospitality sector.
- Notably, the largest sector in the metropolitan area, the professional and business services sector, declined by 3,200 jobs, or 1.1 percent, to 286,000 jobs compared with gains of 3,900, or 1.4 percent, a year earlier. Among an estimated 9,800 technology firms in the metropolitan area, approximately 94 percent are in nonmanufacturing industries (Austin Chamber of Commerce), and layoffs

continued on page 3

**In the Austin metropolitan area, nonfarm payrolls increased in 8 of the 11 sectors as of the fourth quarter of 2024.**

	3 Months Ending		Year-Over-Year Change	
	December 2023 (Thousands)	December 2024 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	1,354.9	1,376.4	21.5	1.6
Goods-Producing Sectors	159.9	164.1	4.2	2.6
Mining, Logging, & Construction	86.2	90.6	4.4	5.1
Manufacturing	73.7	73.5	-0.2	-0.3
Service-Providing Sectors	1,195.0	1,212.3	17.3	1.4
Wholesale & Retail Trade	178.7	181.5	2.8	1.6
Transportation & Utilities	35.6	35.9	0.3	0.8
Information	52.2	50.6	-1.6	-3.1
Financial Activities	83.7	85.8	2.1	2.5
Professional & Business Services	289.2	286.0	-3.2	-1.1
Education & Health Services	158.8	164.2	5.4	3.4
Leisure & Hospitality	147.6	151.9	4.3	2.9
Other Services	52.4	53.9	1.5	2.9
Government	196.8	202.6	5.8	2.9
<b>Unemployment Rate</b>	3.1%	3.4%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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during the past year adversely affected multiple sectors, including the professional and business services sector.

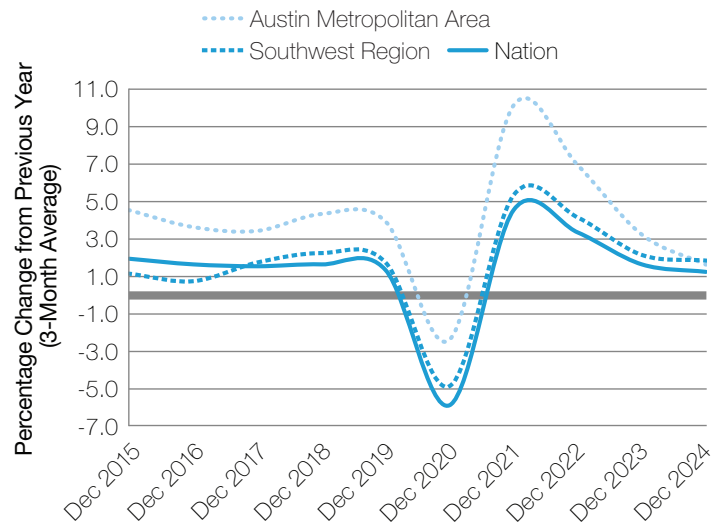
- The information and the manufacturing sectors also declined by 1,600 and 200 jobs, or 3.1 and 0.3 percent, respectively. A slowdown in the semiconductor chip manufacturing business resulted in announced layoffs of 250 employees at Intel Corporation.
- The average unemployment rate was 3.4 percent, up from 3.1 percent a year earlier. By comparison, the Southwest region and the nation had unemployment rates of 3.9 percent each, up from 3.6 and 3.5 percent, respectively.

The metropolitan area has become a major high-tech center during the past 2 decades, particularly since the mid-2010s, partly because of the presence of numerous higher education and research institutions. UT at Austin in the city of Austin and Texas State University in the cities of San Marcos and Round Rock had approximately 53,850 and 40,700 students, respectively, during the fall of 2024. The government sector has traditionally been the largest employment sector in the metropolitan area, but in 2017, the government sector became the second largest payroll sector after the professional and business services sector. As of the fourth quarter of 2024, the professional and business services sector accounted for nearly 21 percent of all nonfarm payrolls in the metropolitan area. Many of the largest technology companies in the world—including Google LLC, Apple Inc., Oracle Corporation, Amazon.com, Inc., Meta Platforms, Inc., and NVIDIA Corporation—have primary or secondary offices in the Austin area. The presence of Tesla, Inc. and Samsung Electronics Co., Ltd. and the completion of a semiconductor manufacturing plant in the city of Taylor have had downstream effects on many manufacturing companies for supplies, logistics, and warehouse space, even as the technology and manufacturing sectors announced layoffs during 2024. In addition, approximately 15 aerospace companies are either headquartered in or have a presence in the metropolitan area, including Firefly Aerospace and SpaceX.

## Sales Market Conditions

The sales housing market in the Austin metropolitan area is balanced. Slowing home sales for the past 2 years has led to an elevated number of days for a home to be on the market. The average number of days a home was on the market was 80 in December 2024, relatively unchanged from an average of 84 days in December 2023 but up from 73 days in December 2022 and more than triple 25 days in December 2021, when the market was tight (Austin Board of REALTORS®; includes single-family homes, condominiums, and townhomes). Total home listings increased 9 percent during December 2024

**Nonfarm payroll gains in the Austin metropolitan area had outpaced gains in the Southwest region since 2013, but as of the fourth quarter of 2024, nonfarm payrolls in the metropolitan area grew slightly slower than in the Southwest region.**



Source: U.S. Bureau of Labor Statistics

## Largest Employers in the Austin Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Texas <sup>a</sup>	Government	63,850
University of Texas at Austin	Government	23,925
Tesla, Inc. <sup>b</sup>	Manufacturing	20,000

<sup>a</sup> Job data include public university employment.

<sup>b</sup> Job data include Professional and Business Services sector employment for corporate headquarters.

Note: Excludes local school districts.

Source: Opportunity Austin, June 2024

to approximately 10,550 compared with a year earlier, when listings totaled 9,675. Elevated home sales prices and mortgage interest rates compared with pre-COVID-19 trends continued to depress for-sale housing demand against a backdrop of greater rental housing options throughout the metropolitan area. With slowing sales, the months of available inventory on the market rose during the past year. During December 2024, a 3.8-month supply of home sales inventory was on the market, up from a 3.0-month supply a year earlier.

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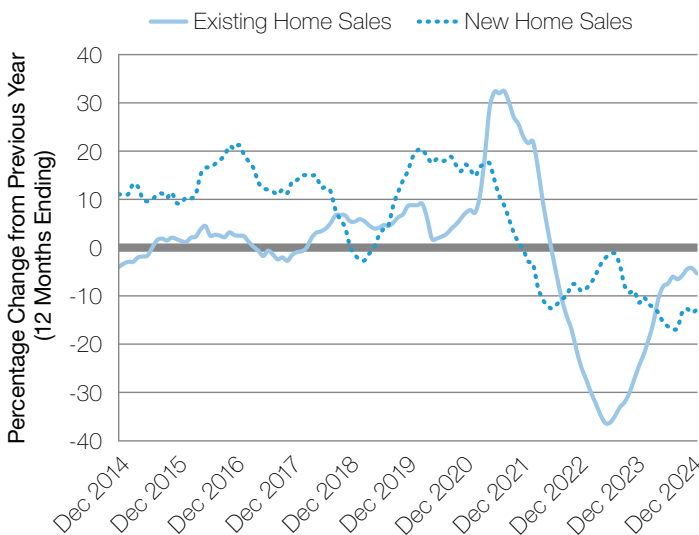
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During 2024—

- New home sales totaled 14,450, a decrease of 2,100 homes, or approximately 13 percent, from the previous 12 months, and the average new home price decreased by \$9,150, or 2 percent, to \$448,400 (CoreLogic, Inc.).
- Existing home sales totaled 32,950, a decline of 1,850 homes, or 5 percent, compared with a 24-percent decrease a year earlier.
- The average price of an existing home decreased by \$5,025, or 1 percent, to \$465,800—more than the average price of a new home—largely because of location and size.
- Home prices in the metropolitan area were most expensive in Travis County, the location of the city of Austin. During 2024, average home prices in the metropolitan area ranged from a low of \$299,000 in Caldwell County, which is approximately 40 miles south of the city of Austin, to a high of \$507,300 in Travis County.
- Seriously delinquent mortgages in the metropolitan area declined after rising during 2020, following the onset of the COVID-19 pandemic. The rate of home loans that were 90 or more days delinquent, in foreclosure, or had transitioned to real estate owned status was 0.6 percent during December 2024, up slightly from 0.5 percent in December 2023 but down from the recent high of 3.7 percent in August 2020.

During 2024, single-family homebuilding activity in the metropolitan area—as measured by the number of single-family homes,

**Existing home sales in the Austin metropolitan area have declined year over year since June 2022, and new home sales have declined since December 2021.**

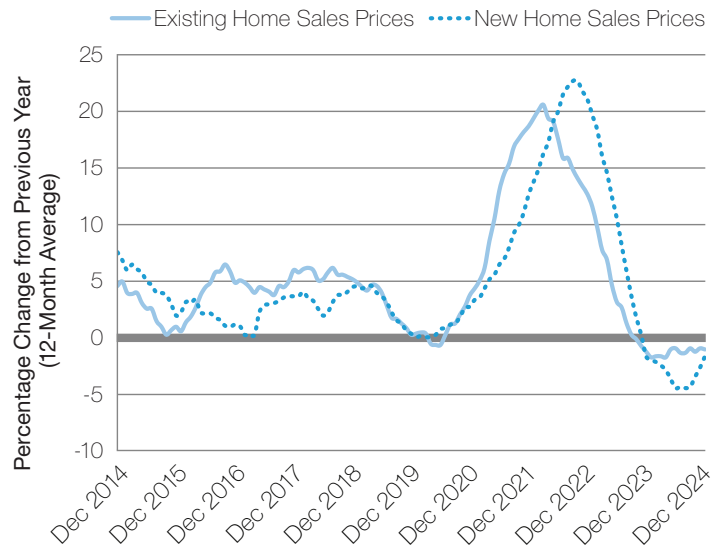


townhomes, and condominiums permitted (building permits)—increased by 350, or 2 percent, from a year earlier to 16,700 homes permitted (preliminary data, with adjustments by the analyst).

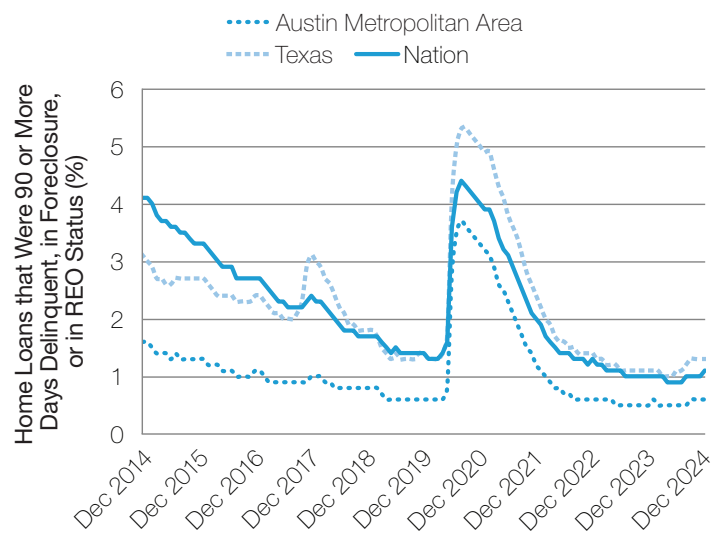
- The number of homes permitted in Travis County increased 2 percent from the previous year to 5,225 and accounted

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**Both new and existing home prices declined during the past year.**



**The share of seriously delinquent home loans and REO properties in the Austin metropolitan area has been consistently below both the state and national shares.**

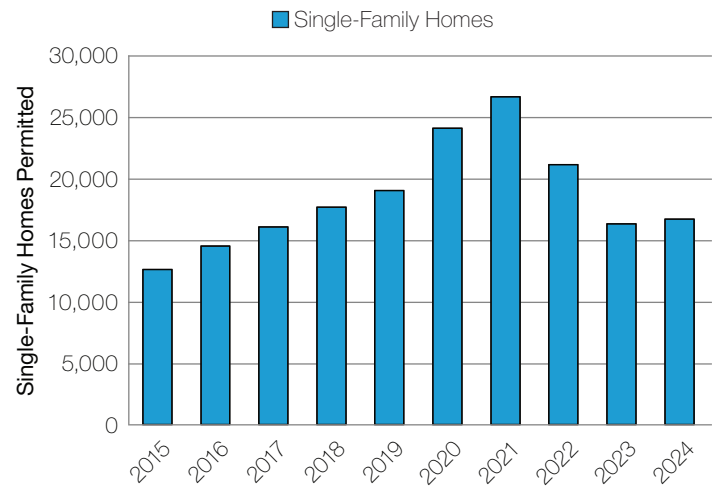


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for approximately 31 percent of homes permitted in the metropolitan area. A record-high level of home production was permitted in Travis County during 2020, totaling 11,050 homes compared with an annual average of 8,475 homes from 2015 through 2019 and 9,850 homes from 2021 through 2022.

- Williamson County—where Dell Technologies Inc., Apple Inc., and Samsung Electronics Co., Ltd. have expanded—accounted for approximately 33 percent of all homes permitted in the metropolitan area during 2024. In 2024, 5,450 homes were permitted in the county, up approximately 10 percent from 4,975 homes permitted the previous year.
- A new subdivision, Rolling Glen by Starlight Homes, began presales for 21 homes in the city of Hutto, near the 1,400-acre industrial development dubbed the Megasite. Eight single-family homes have sold, and 13 are available, with prices ranging from \$362,000 to \$474,200. The community will include an additional 105 homesites at buildout.

The number of single-family homes permitted in the Austin metropolitan area declined after peaking during 2021.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 12 months of data—preliminary data and estimates by the analyst

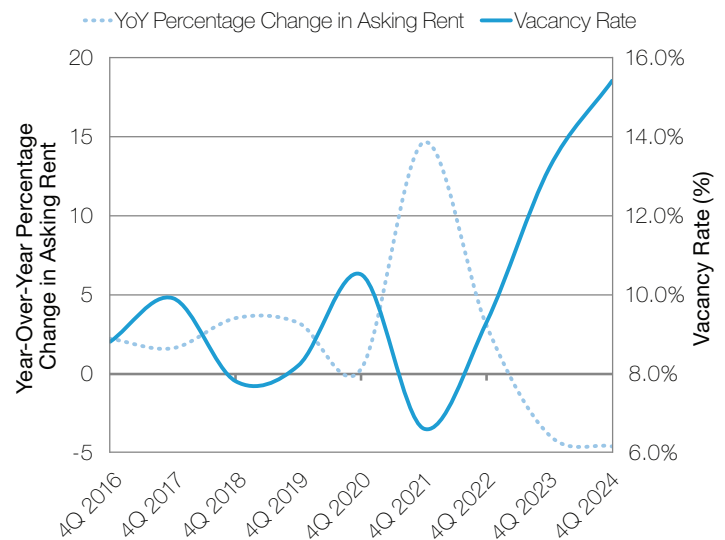
## Apartment Market Conditions

The apartment market in the Austin metropolitan area is soft. The average apartment vacancy rate is 15.4 percent, up from 13.2 percent the previous year, as deliveries continue to place upward pressure on vacancy rates. Following the outbreak of COVID-19, record levels of absorption plus historically low production led to a multifamily construction boom. Since 2023, approximately 53,350 apartment units have been delivered in the metropolitan area, whereas apartment absorption has totaled 28,850 units. The average rent for an apartment in the metropolitan area as of the fourth quarter of 2024 is \$1,580, down \$77, or 5 percent, from a year earlier (CoStar Group). Approximately 45 percent of all stabilized properties in the metropolitan area offered concessions as of the fourth quarter of 2024 (ALN Apartment data).

As of the fourth quarter of 2024 —

- Absorption reached a fourth quarter peak of 4,875 units, more than double the number in the fourth quarter of 2023 and up from the previous fourth quarter peak of 2,175 units in 2021. Deliveries of apartment units totaled 5,525 as of the fourth quarter of 2024, up from 5,350 units delivered as of the fourth quarter of 2023 and adding nearly 2 percent to the total apartment inventory.
- Of the 25 CoStar Group-defined Austin market areas, the average apartment vacancy rates ranged from 7.5 percent in the Far West Austin submarket to 24.5 percent in the

As of the fourth quarter of 2024, average apartment rent declines continued in the Austin metropolitan area, and the average apartment vacancy rate increased.



4Q = fourth quarter. YoY = year-over-year.

Source: CoStar Group

Far North Austin submarket, which added a considerable amount of supply because of the announced multibillion-dollar investment at the Samsung plant. Average apartment rents in the metropolitan area ranged from \$1,176 in the Far

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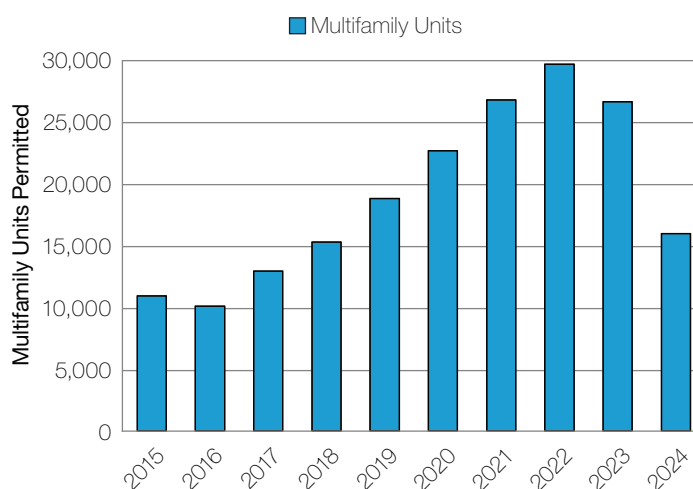
West Austin submarket to \$3,437 in the Downtown Austin submarket, the location of the UT at Austin main campus.

- The average vacancy rate for Class A apartments in the metropolitan area increased to 16.5 percent, up from 13.6 percent, and the average rent was \$1,785, down \$76, or 4 percent, from the fourth quarter of 2023.
- The average respective vacancy rates for Class B and C apartments were 15.6 and 11.6 percent, up from 13.8 and 10.3 percent a year earlier, and the average rents for Class B and C units both decreased 5 percent to \$1,525 and \$1,233, respectively.

Multifamily construction activity in the metropolitan area, as measured by the number of multifamily units permitted, declined in response to persistently high average vacancy rates.

- Multifamily construction activity totaled an estimated 15,950 units during 2024, down 40 percent from the 26,600 units permitted the previous year (preliminary data, with adjustments by the analyst).
- As of the fourth quarter of 2024, 21,600 multifamily units were under construction, down more than one-half from the 45,700 units under construction in the fourth quarter of 2023.
- Approximately 75 percent of the units under construction are in Travis County, and 17 and 6 percent are in Hays and Williamson Counties, respectively.
- Trailhead East, a recently completed five-story mid-rise apartment building near Walnut Creek Trail in East Austin,

**The number of multifamily units permitted in the Austin metropolitan area is below the level in 2019, before the COVID-19 pandemic.**



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 12 months of data—preliminary data and estimates by the analyst

has 222 apartment units. Rents range from \$1,425 for studio apartments to \$2,810 for two-bedroom units.

- Presidium in Southeast Austin, near the Tesla, Inc. Gigafactory Texas, is slated to finish the first phase of its Velocity mixed-use master-planned community in mid-2025. Approximately 307 market-rate apartment units are planned, with units ranging in size from studios to three bedrooms.

## Terminology Definitions and Notes

### A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes resales, short sales, and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.
Stabilized	A property is stabilized once the occupancy rate reaches 90 percent or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.

### B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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