



Real Estate Hot Spot Austin, Texas Boasts Draws Like Top-Tier Schools And Hip Neighborhoods Milwood, Zilker And Tarrytown

Storied neighborhoods combine with the popular SXSW music festival and proximity to leading schools to make Austin a top spot in the real estate world.

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A number of U.S. cities have emerged over the years as real estate “hot spots,” and Austin, Texas is no exception. ESTATENVY spoke with three leading brokers in the area to find out why Austin is such a desirable city to live, work and play in. Kevin P. Scanlan is the 2019 President of the Austin Board of REALTORS®, and he explained that Austin sits at the intersection of a number of historical and modern factors that make it such a current hot spot. “In the mid- to late-’90s, Austin started becoming a destination for high-tech companies, and with the tech boom going on at that time, Austin was very business- and tech-friendly,” Scanlan said. “That [pool] tended to be a younger crowd, and the music, art and international

scenes were appealing to a younger generation of entrepreneurs.” Austin experienced that boom through the late ‘90s and early ‘00s, according to Scanlan, until the national tech crash following September 11. Interestingly, when the housing crisis struck the country in 2008, Austin, having already weathered its first housing storm, was better positioned to make it through: “Unlike the rest of the country, Austin hadn’t seen crazy increases in appreciation,” Scanlan said. “We didn’t have as far to fall as Miami and Las Vegas—cities were losing two-thirds of their [residential housing] value in a 12-month period.” Attracted by Austin’s comparatively steady market and the aforementioned arts, culture and music appeal—plus the city’s enviable 300 days of sunshine a year—tech companies again returned to Austin, building the housing market back up...and then some. “Austin started attracting major tech employers like Samsung and Oracle...and now Apple is building a facility here within the next couple years,” Scanlan said. All of these factors have combined to create the perfect storm for a booming Austin housing market. [Ryan Rodenbeck](#) is a broker and owner of Spyglass Realty in Austin who has been named a Platinum Top 50 Realtor for the last seven years. According to Rodenbeck, growth in Austin has been exponential. “The Austin area has grown by over 100 people a day in the last several years,” [Rodenbeck](#) said. “It’s the business-friendly environment and the tech community that seem to draw people here. Austin is known as a great place to start a business, and it’s relatively affordable compared to the West Coast.” Scanlan agreed. “For those folks moving from the East or West coast, they can basically buy a house three times the size of a home in California for a third of the price. That started driving the market in a big way,” said Scanlan. “Not long after 2012, if you put a house on the market [in Austin] Friday night, you would have 20 offers by Sunday evening.” That demand, Scanlan said, has driven the rates of appreciation in the greater Austin area, causing more and more commuters who work in the city to choose nearby suburbs such as Cedar Park and Pflugerville. [Bryan Talley](#) is a leading Austin real estate agent with the Regent Property Group. He echoes Scanlan by pointing to location and business-friendly practices as major draws. “Austin enjoys a central location in the U.S., and Texas has pretty business-friendly policies. Then, Austin is also a central location in the state of Texas, and also strategically in the country,” Talley said. “Those all drive growth.” “Particularly the geography with the hills, lakes and trees—people that haven’t been here would be surprised to see the landscape in Austin,” Talley said. “It’s relatively lush, but different than you’d see up north in the spring. The Colorado River runs through Austin, and there’s a string of lakes that were dammed up over the years—Lake Austin, Lake Travis, and so on. People enjoy having lake houses along those. Some have their second homes there,” said Talley. Talley also emphasized the unique landscape of Austin, and what the rest of the country is growing hip to: Austin culture. “You have Austin City Limits and SXSW. And it’s just always been a laid-back environment here,” Talley said. “I grew up in Dallas, and Austin was always where you’d go to relax; it’s kind of a place you take your tie off. It’s more laid-back—less aggressive, less competitive.” While both Rodenbeck, Talley and Scanlan all agreed that neighborhood preferences vary by demographic and need, they each called out several areas—both in the city and the greater metropolitan area—that have earned Austin a spot as a real estate city to watch. “The neighborhoods in Austin that are pretty hot are Mueller in the east, Barton Hills and Zilker in the 78704 area code and Milwood in the north,” said Rodenbeck. “Milwood is affordable and close to the domain, and Barton Hills and Zilker both feed to excellent elementary schools.” “Because of historic homes and cottages mixed with new modern construction, a variety of people live in 78703 just south of downtown, especially in Tarrytown,” said Talley. Scanlan also noted the appeal of Tarrytown,

“long-known as the neighborhood where lawmakers and university professors live. Plus it’s only five minutes from downtown.” Talley also noted that “Central Austin is very similar compared to South Austin, but with lots of new condos,” which attract a varied crowd. “A lot of empty nesters move into those towers, but young people live there, too. Then there’s Clarksville and Zilker, which is where they hold SXSW,” Talley explained. As for top hot spots for families, Talley and Scanlan called out West Lake just southwest of the river, located in the Eanes school district. “[The Eanes district is] ranked in the top 10 in the nation for school districts and West Lake High School in Eanes is one of the top schools in the country,” Talley said. “West Lake Hills is this unannexed oasis in the middle of Austin,” Scanlan said. “Buyers are looking at decent-sized houses built in the ‘60s through the ‘80s.” So what makes Austin so desirable? The culmination of great geography including ample lakes; a business-friendly environment; top-tier school districts; an impressive arts and culture scene; and a comparably lower cost of living, given the city’s many offerings. And Talley, Rodenbeck and Scanlan don’t anticipate Austin’s growth slowing anytime soon. “I would characterize the climate as very steady,” Rodenbeck said. “Many experts are predicting a recession, but I think Austin will weather the storm much better than the rest of the country.” “I feel that the Austin market now is one where home prices are right where should be, considering the quality of life in this town and how much house you get for your money,” Scanlan said. “But if we experience double digit appreciation in the next three to four years, that’s where I think it would become unsustainable. So a flattening of the market, a little more balance, is what I’m hoping for.”

Assessing how 2019 has kicked off, Scanlan said: “It appears to me that our year is starting off with very strong indicators of a strong real estate market, but I have some fears that it could become unsustainable.” Talley took the most optimistic perspective. “Right now, it feels like continued, strong growth,” said Talley. “Apple just announced that they’re opening up a new headquarters here, so that’s up to 15,000 new jobs. New companies are moving here all the time...IBM, Facebook, Apple—they’re all growing here.” Looks like Austin has its desirable city status locked down for the foreseeable future.