

From the Austin Business Journal

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Austin No. 2 in the nation for overall real estate prospects — No. 1 for development

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Austin ranked second in the nation for overall real estate prospects. That is the consensus of Emerging Trends in Real Estate 2016, the annual report published by the **Urban Land Institute** and **PwC LLP**.

Released during ULI's national fall meetings, the report is considered a credible barometer for real estate development and investment across all product types.

"One of the inaugural 18-hour cities, the Texas state capital has become a perennial favorite among survey respondents," the report states. "The 2016 outlook for all property types in Austin is well above average, but survey respondents were particularly favorable toward single-family and retail."

Austin is ranked No. 1 for development across all 75 markets surveyed. It ranks No. 2 for homebuilding and No. 4 for investment.

Dallas ranked No. 1 for overall real estate prospects, including a No. 1 ranking for homebuilding.

Houston fell dramatically in the survey from No. 1 for overall real estate prospects to No. 30 because "concern over what the fall in the price of oil combined with the current level of new development gave survey respondents pause for 2016," the report states.

[See the full report here.](#)

Data in the report indicates that Austin has the highest percentage of millennials, those with ages between 16 and 35. With 32 percent of the population falling in that range, Austin surpasses Los Angeles and Madison, Wisconsin, for appealing to young adults. The cost of doing business in Austin is 102 percent of the national average, fall less than New York City, which is 160 percent or San Jose, California, which is 129 percent.

Not everything about Austin is rosy, though.

"If there is a concern about Austin, it may be that the market is growing faster than the local infrastructure," the report states. "The only potential shortcoming perceived by the local market is in public and private investment."

Here's a look at the top 10 markets for real estate prospects:

1. Dallas
2. Austin
3. Charlotte, North Carolina
4. Seattle
5. Atlanta
6. Denver
7. Nashville, Tennessee
8. San Francisco
9. Portland, Oregon
10. Los Angeles

Jan Buchholz covers commercial and residential real estate, construction and architecture and retail and restaurants for the Austin Business Journal.