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Dear Client:

**So, how's that downtown Austin parking thing working out for you? How long does it take you to find a space downtown and how much does it cost you? Of course, you could pay for valet parking if you're going to a restaurant or bar. But what if you are going downtown to a meeting or to conduct business? Then what? And if you work downtown what is the cost for your precious space? It's a problem that is getting worse, with no parking solution in sight.**

In fact, the City of Austin has been systematically *eliminating* street parking spaces by widening **pedestrian walkways**, adding **bicycle lanes**, allocating **bus-only lanes** and converting **Congress Avenue parking spaces to "pocket parks,"** (see our 3.27.15 edition). And, it raised prices on those spaces that remain. Long-timers (notice I didn't say "old-timers") remember when it was easy to grab a parking space on the Avenue. No more.

The City of **Austin's policy to reduce the number of cars downtown** – to encourage public transit, walking and bicycling -- is undoubtedly integral to the situation. In fact one Austin traffic official wrote recently "we might need to look at our own personal travel choices and choose to travel differently." The downtown area is one of the most vibrant in the US. And other big cities are dealing with the same problems. The Urban Land Institute (ULI) cites Houston, Oklahoma City and Charlotte as examples. Misery loves company, right?

So what are the solutions? ULI suggests utilizing **sensors to detect empty parking spaces** on the street, in lots and garages, thus allowing parking spaces to be managed like airline seats. Right now, a free app – Park Me – can help find real-time parking availability in Austin. One urban traffic expert suggests **30%-40% of congestion is caused by people looking for parking spaces.**

In the meantime, private enterprise is stepping up in downtown Austin. By one estimate, **there are nine different companies managing parking lots and garages downtown.** But that number is a moving target as leases on vacant lots soon turn into developed property.

Right now, there is a major multi-million dollar effort underway to "**re-design**" **Congress Avenue.** It's a **wide-ranging effort to "change" Congress.** Nothing is yet set in stone, but what do you want to bet that additional parking on the Avenue will *not* be a part of the plan? Check out the next item for the details that are known so far.

**Change has been the norm for Congress Avenue since Austin's founding in 1839. The city has changed and the Avenue has changed with it. But now, a concerted, carefully-planned, well-financed effort is underway that could bring major changes in the Main Street of Texas.**

After voters' approval in a 2012 bond program, \$2 million was set aside to cover design and preliminary engineering for the effort that will include Congress Avenue at Riverside Drive, north across Lady Bird Lake, to 11<sup>th</sup> Street at the entrance to the State Capitol. **The project is called the Congress Avenue Urban Design Initiative and it's in the early stages.**

In fact, now is the time for preliminary input. Go to <https://AustinTexas.gov/CongressAvenue> for details and to participate in a survey. This summer/fall an urban design team will be selected. And then, when the team is up and running, it will gather further public input. **But design guidelines have already been drafted.** The City of Austin calls it a "Vision." Here are some of the "Values" that are included:

**Character Elements.** "Bustle with human interaction, diversity and inclusion ... Create a literal and symbolic 'gateway' to Austin ... Provide commodious connections to the Texas State Capitol, Lady Bird Lake and adjacent downtown districts ... Celebrate Austin's history, art and culture."

**Function Elements.** "Promote human comfort and interaction ... Support social and commercial activity ... Provide comfortable mobility for pedestrians, bicyclists, transit-riders, and motorists ... Provide efficient yet unobtrusive infrastructure functions for utilities ... Host public events both large and small ... Support healthy natural systems including trees and other green infrastructure."

These broad generalities can generate a number of questions and comments. For instance, **the word "parking" is not in this Vision. And do you want buses on the Avenue?** You can probably come up with your own list of questions. As the City of Austin notes this "Congress Avenue Vision will adhere to a set of Values that will guide what we ask of the Avenue and how we direct our work." If they haven't already, now is the time for those with a vested interest in what happens to Congress Avenue to start getting involved.

Based on this comment by the City, the design process may also be a process of elimination: **"A street can perform only so many tasks well. A street asked to perform too many tasks is likely a street that performs none of them well."**

Throughout the city's discussion about Congress Avenue, the word "design" is prominent. The reason: once the design is complete, **funding for the changes must be secured.** It appears the \$2 million bond money will *not* go toward construction and/or modification.

The Downtown Austin Alliance and others are working with the City of Austin throughout this process. The design work product should be ready in 2016.

**Austin area apartments are chock-full of 25-34 year old residents. And they are paying some of the highest rents in Texas. This age cohort – called “millennials” – has been generally thought to be prime to move-out-and-up to buy starter homes. Not so fast. The old norm may be changing. The millennial apartment dwellers may not be buying homes at the rate their parents did while in their 20s or early 30s. There are reasons for this trend.**

It's somewhat ironic because **Austin millennials pay rent higher than renters in Dallas, Houston, San Antonio, Fort Worth, Arlington and El Paso for the same space**, according to Zumper. So some may think, “hey, with what they are paying in rent, they could go buy a first home.” In many cases, some would be wrong if they think that. Of course, there are exceptions, but consider what's happening to this 25-34 year old generation:

The most obvious change for millennials? **Austin area home prices have risen dramatically in just the past few years.** Even though the Austin economy is hot enough that millennials' salaries have been rising as well, they also have other demands on their income. Case in point: because of the rising cost of higher education, many millennials are facing **repayment of college loans ... in some cases, as much as \$100,000 in debt.** Not true for their parents.

Also, in this hot real estate market, millennials are competing with a higher number of cash buyers. As most **millennials have not accumulated enough money to pay cash, they are at a disadvantage -- especially in multiple offer transactions.** What about borrowing money from their parents? Uh-uh. Many of their parents are still reeling from the most recent recession.

Then there are the psychological and emotional factors at play here. Millennials remember the recent tough financial times and may be **reluctant to jump headfirst into the homeowner waters** that represent the largest financial investment they may have made so far in their lives.

Also Austin has one of the highest rates of in-migrants in the nation and **millennial newcomers need to get the lay of the land in their new hometown.** Many want to be **near their place of employment** and, bingo, apartments fill that bill better than starter homes.

Much of this is anecdotal, and there are exceptions to each of these generalizations. But **will this trend likely continue? The answer is yes,** especially when you look at where the home market is headed. **Austin area home prices continue to rise.** The most affordable homes are getting farther away from employment centers. While it is not official, most economists believe **mortgage interest rates will begin a slow rise**, raising the bar to first-time homeownership with each percentage point jump. And, finally, there is the lifestyle factor. Apartment living suits the lifestyle of many millennials. **Millennials are marrying later and putting off having kids even later.** Suburban living is not appealing – yet.

**Europeans were early settlers in the Hill Country. But the bulk of the Austin's population growth since the 1950s came largely from existing households. Of course, throughout history, the influence of Latin America has been felt, with adjacent Mexico providing the majority of in-migrants. Now, signs of further "internationalization" of Austin are all around you. And the big part of this increase is from the Far East.**

Just in the past decade, **immigration from Asia is up about 40%**. This is a huge jump. A decade ago, the Asian in-migration to the Austin area was about 17%. One key statistic we mentioned in our 6/5/15 edition illustrates this: the most international graduates from UT Austin last month were from **China, India and Korea**.

Of course many grads stay in Austin. And just look around you at the employees of many **Austin tech enterprises, including those HQed in Asia**. Check out the grocery aisles and the participants in Austin's many public events. The international influence from Asia is obvious.

Many of those of Asian descent are contributing to the community in various ways. Take the **Greater Austin Asian Chamber of Commerce**. It's long been active in economic development, support of various charities and civic initiatives of its own.

And just this week, we ran across another organization we did not know existed – the **Austin Filipino-American Association**. It announced it was holding a cultural celebration at the **Asian American Resource Center** on Cameron Road. It will feature cultural activities from the **Philippines, Tahiti, Samoa, Malaysia, China**, etc. You get the picture.

All this is a simple illustration of one way the Austin area is reflecting a fast-growing **international influence**. There are many other examples.

**Dr. Louis Overholster** is not a marriage counselor. But he does have opinions on just about everything. And he drives in Austin traffic daily. So, here's his advice to couples considering marriage: "Before you marry someone, go sit in traffic with them for two hours!"

Sincerely,



Editor/Publisher