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Dear Client:

You've seen the steady drumbeat the last few years of people moving to the Austin area to scarf up new jobs that have been created in astonishing numbers. For instance, 4,200 more people were hired just in the two months of January 2017 and February 2017. So what type jobs have been the attraction? Have they all been tech jobs? Nope. Let's check it out.

The Austin Chamber of Commerce (CofC) keeps a tally of job openings. And when you drill a little deeper into their listings, you find that not all jobs have been the high-paying tech variety. In fact, **the top number of job postings in one month was for Registered Nurses.** Here's some of what they report:

However, demand for tech talent remains high. In fact, Software Developers-Applications replaced Registered Nurses as the top posted occupation in March 2017. By the way, the annual median wage for the tech positions in the Austin metro area increased from \$99,420 to \$105,140.

Plenty of middle wage jobs were available. One complaint aired (especially by some members of the Austin City Council) is that lower-paid positions are not available. But, "ten of the top 20 occupations posted require less than an associate's degree as the typical education needed for entry," the CofC reports. **"And all but two of the top occupations posted pay an annual median wage of \$30,000 or more in the Austin metro."**

It is slowing a bit, as we have previously reported. **There are numerous job openings, but fewer than a year ago.** The CofC said there were 37,300 available job postings during March 2017, which is 5,600 less compared to March 2016. But, hey, how many comparably-sized US metros would brag out loud if they had 37,300 job openings in a single month?

Based on public reports, **more jobs are ahead.** "Several companies recently announced new location or expansion plans in the Austin area, including about 670 jobs," said the CofC. "The list includes **Baylor Scott & White Healthcare, FloSports, Gerson Lehrman Group, VolitionRx and Yeti Coolers.**"

So where does Austin stand nationally? With an annual job growth rate of 27,000 net new jobs in the year ending in February, **Austin is the 14th fastest growing major US metro.**

Speaking of jobs, can you name Texas' largest private employer? Huh, huh? C'mon. Quickly now. Bet you didn't come up with the answer. Tah-dahhh! It's H-E-B. That's right. The grocery store that's not far away from where you live.

The privately-held, San Antonio-headquartered company announced this week that **H-E-B employs more than 100,000 workers – 90,000 people in 325 stores across Texas and some 10,000 in 56 stores in Mexico.** The numbers will grow this year as H-E-B has announced it will add nine new stores in Texas and six in Mexico in 2017.

H-E-B says it has created 24,000 jobs since the 2008 financial crisis. By the way, it offers **employees who have worked at least 1,000 hours an option to participate in a “partner stock” plan equal to 3% of their salary.** And an additional \$100 for each year the employee remains with H-E-B.

Apartment growth in Austin is a direct result of the jobs/population growth. As testament to this fairly obvious fact, a report this week shows Austin's apartment growth is ahead of all other major Texas metros, and is tied for 4th in the nation.

The report from MPF Research is based on inventory – the number of new individual apartment units. **Austin's annual increase in the 1st quarter 2017 was 4.1%** (tied with **Raleigh/Durham, NC**) for #4 in the nation. Numbers 1, 2 and 3 were **Charlotte, NC-SC** (5.9%), **Nashville, TN** (5.8%) and **Columbia, SC** (4.4%).

Many Texas metros were also in the Top Ten: **#6 Houston** (3.8%) ... **#7 San Antonio** (3.6%) ... **#8 Corpus Christi** (3.5%)... and tied for **#10** with **Denver/Boulder, CO, Dallas** (3.3%). This compares favorably with the national inventory growth of just 1.8%.

Population growth – plus the aging of our citizens – is creating a pent-up demand in Central Texas for “age-qualified” homes. Nationally the stats show about 10,000 people will turn 65 each day until 2030. And, one company is attacking that demand head-on. You may have seen the ads for the development, uniquely-named Kissing Tree, in the Texas Hill Country.

Kissing Tree is a 3,200-home community on 1,332 acres near San Marcos for those aged 55 and beyond. Currently more than \$9.1 million in construction is headed to Kissing Tree. **Colby, Emerson and Clarkson homes – ranging from 1,850 sf to 2,957 sf – will be priced from \$275,000 to \$500,000.**

Kissing Tree, a project of **Brookfield Residential Properties**, says this baby-boomer master-planned community is the first of its kind in the San Marcos area.

The City of Austin’s approach to housing needs and goals is too narrow, claims a demographic expert. The City’s Strategic Housing Plan (SHP) has been developed without taking into full account the impact of housing growth *outside* the Austin city limits, Ryan Robinson argues. Yet, the SHP uses *metro* numbers to calculate *city* proposals. We’ll explain.

Robinson is the City of Austin’s Demographer. He’s involved with planning and zoning as he daily analyzes local population growth and movement. He lucidly points out **“the vibrant housing market that exists within Austin operates at the *metropolitan*-level and not at the *municipal* level.”**

But, Robinson charges **“the SHP seems to treat housing issues and challenges within the City of Austin as existing outside the regional context and scope that truly represent the dynamics of an extremely active housing market.”** Our translation of his quote: hey, City, people are leaving Austin and moving to other areas in the metro and this has a major impact on future housing planning.

In fact, based on his projections, Robinson points out **“the City of Austin’s piece of the regional housing market will continue to diminish over time.”** And this is where he suggests the City’s calculations about the “number of future housing units needed for the City of Austin could **lead to unintended consequences.**”

Without going into eye-glazing-over numbers, Robinson succinctly suggests that between 2015 and 2025 the 5-county metro area’s population will increase by more than 34% while the City of Austin will only grow about 20% during that same period of time. **BUT.** And this is a big BUT. **The City is using *metro* numbers, not *city limit* numbers, in its calculations for the city’s proposed housing plan.**

He points out, using the SHP calculations, the City’s 2025 growth uses the *metro* numbers to suggest the *city* will **increase by almost 300,000 persons. But, the official projected increase is actually almost 180,000 persons for the City.**

Robinson further mentions the past/future trends show greater growth *outside* the city limits and **“it seems unrealistic to assume the City of Austin could somehow reverse these macro trends and gain an increased share of future regional growth that will more likely occur within the metropolitan area’s urban realm.”**

There is more in Robinson’s April 11, 2017 memo to Austin Assistant City Manager **Bert Lumbreras** with copies to the Mayor and members of the City Council, as well as others. And “more” includes his recommendations on how the City Council districts need to be factored into the SHP. Also, as a demographer, he proposes a **“short list of development code and transportation system strategies I think might work.”** It’s a thoughtful, short 2-page that is worthy of your consideration.

Is Texas a great country or what! First, more than 50 years ago Whataburger started in Corpus Christi and has become a Texas-brags staple. Then, more recently, Buc-ee's has received rave reviews for its huge roadside convenience stores with low gasoline prices and dozens of ultra-clean restrooms. But, did you know freshly-baked pecan pies are available 24/7 from a roadside vending machine. Full-size pecan pies! Does it get any better than this!

The Pecan Pie vending machine – believed to be the only one of its kind in the US – is just a **short drive from Austin, alongside Hwy 71 ... not far from the Buc-ee's in Bastrop.** You may have seen the location, especially if you make the drive between Austin and Houston.

It's part of the Berdoll Pecan Candy & Gift Company shop. You may recall the **Berdoll Pecan Farm that has been peddling Central Texas pecan products for a long time.** It has obnoxiously-large signage to slow down motorists on Hwy 71. Looking at its expansion over the years, it's obviously been successful.

Another identifying object is a 14-foot-tall statue of a squirrel holding a pecan about the size of your head. You've probably seen cars stopped there to take pictures. The vending machine is located right on the front porch of their retail store -- adjacent to "Ms. Pearl" the squirrel statue.

Don't worry about the freshness of the delicious vending machine product. **Pecan Pies are restocked every day.** You can even choose other pecan treats. And if you pull off Hwy 71 during the holiday season, the Berdoll folks re-stock the pies more frequently. **I mean, after all, what are the holidays in Texas without pecan pies.**

Texans love road trips. Many Texas road trips have included Whataburger stops for decades. And if road-trippers travel north, south or east from Austin, they can pull into a Buc-ee's. Now, east of Austin, you can grab a pecan pie from a 24/7 vending machine. How about that!

A road-tripper, **Dr. Louis Overholster** knows there is no traffic until you need to make a left turn.

Sincerely,



Editor/Publisher