

## Report: Austin listed among top 5 markets to watch in 2012

*Austin Business Journal* by Cody Lyon, Staff writer

<http://www.bizjournals.com/austin/blog/retail/2011/10/austin-listed-among-top-5-markets-to.html>

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Austin snuck into the top five markets to watch next year, according to annual Emerging Trends in Real Estate [report](#) from [PricewaterhouseCoopers LLP](#) and the [Urban Land Institute](#) .

The Capital City was ranked No. 2 on the list following Washington D.C. San Francisco, New York City and Boston rounded out the top five.

**Although Austin is one step removed from global pathways, it registers significant interest on investor radar screens and has all the ingredients needed to deal successfully with the nation's 21st century realities, the report said. It also gave Austin a one up on its Texas neighbors because unlike Dallas and Houston, the city also develops a 24-hour core, featuring pedestrian-friendly, in-town apartment neighborhoods with plenty of nightlife attractions.**

Austin's size limits investor opportunity but the diversity of educational, medical, and government jobs, backed by high tech, insulates the market from boom/bust scenarios, according to the report.

PwC and ULI paint a less than rosy picture for commercial real estate nationwide, implicating next year's recovery will be slow for most cities.

"Businesses have learned they can increase profits with less space – while people can't afford bigger living spaces. And, while the nation's lackluster employment outlook delays filling office space, the related

drag in consumer spending compromises growth in retail and industrial occupancies and rents,” the report said.

Those predictions follow a period of mostly sporadic growth last year that was confined primarily to a few real estate markets that offer the primary 24-hour gateways along the coasts, according to the report. Survey participants believe capital will search for yields beyond the overbought gateways, like New York City, and take on considerably more risk.

**Courtesy of JB Goodwin**