

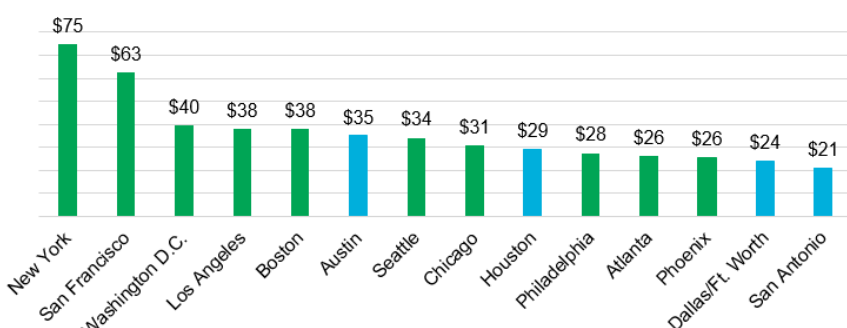
Got Tech? Texas sure does. Our labor analytics breaks down the where and how.

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- The annual [“North American Scoring Tech Talent”](#) report from CBRE America’s Research is a response to employers’ top concern: “Where is Tech Talent?”
- Analysis highlights the impact of these highly skilled tech positions on office rents and living costs in the top 50 tech talent markets.
- Austin, Dallas/Ft. Worth, Houston and San Antonio all appear in the report but have different competitive advantages.

Office Direct Asking Rent by Market (Per SF, Q1 2018)



Source: CBRE Research, Q1 2018.

Austin: Office occupancy in the 90s, apartment rent 1/3rd of New York City and, San Francisco

CBRE Americas Research found Austin remains the most popular market in the region for tech talent. With Austin’s rapid growth and the University of Texas being a top university, younger techie talent is drawn to the area in search of careers where nearly half of all residents have a bachelor’s degree. Tech companies such as Indeed.com, HomeAway and 3M have expanded their footprint this year. The Silicon Hills might not be as pricey as the Silicon Valley, but office rents are still on the rise and currently command about \$35 per sq. ft., making Austin eighth in the U.S. in terms of highest annual gross direct asking rent. Though the cost of living in this tech-savvy city is the highest out of all four major Texas tech markets, it is significantly lower than other major tech hubs such as San Francisco and New York, where average apartment rents are nearly triple.

Dallas/Ft. Worth: As always, Texas-sized.

The industry continues to prosper in the Metroplex area and is among Texas’ largest tech concentrations with more than 160,000 payrolls. Its lower cost of living coupled with its sparkling metro area attracts fresh talent but also grows its own. 5,700 baccalaureate degrees or higher were awarded here during 2016, up 82% from just five years before. The evolving tech scene has brought in business to the commercial real estate sector. DexYP, an automation software company, recently added an additional 21,816 sq. ft. to its existing space, ending up with a total of 449,040 sq. ft. and NTT Data took over two campuses in Dallas for more than 350,000 sq. ft. combined to name just a few. Expect DFW to continue to be Texas’ blue ribbon techie winner in 2019.

Houston: Millennials flock to H-Town a.k.a. Hustle-Town

Known for its oil and energy sector, but with an influx of tech degrees being produced by H-Town universities and its recognition as one of the most ethnically diverse cities in the U.S., more tech companies are emerging here alongside its expanding population. From 2012-2017, total tech talent grew by more than 10%, amounting to close to 95,000 weekly paychecks. Of course, Houston’s share of millennials likewise expanded by 6.1% between 2011 and 2016, nearly twice the U.S. average. Techie professionals are dipping their toes into non-tech markets, such as Houston, where they are finding ways to make data more efficient, even in commercial real estate firms. Earlier this year, FairfieldNodal, a fast-growing geo-technology company, subleased more than 46,000 sq. ft. in the south tower of Air Liquide Center at 9811 Katy Freeway, as the Sugar Land-based company continues to grow.

San Antonio: #1 for smaller shops, but apartments are bigger and cost less

Progress in attracting fresh talent to the Alamo City can be seen in the findings. San Antonio has the highest concentration of computer, support database & systems employees across the board, close to 60% of tech talent in this subsector. San Antonio ranks first for being the small tech talent market for millennials and boasts one of the lowest U.S. rent-to-tech wage ratios, with a lean 12.5% of techie earnings going towards paying the rent. Housing dollars in San Antonio stretch about 20% wider than just up IH-35 in Austin. Occupiers are taking notice: since 2013, office rents increased 6.2% and vacancy tightened 3%.

Texas is a contender for tech talent. Our apartments cost less, our business taxes are lower and our binary codes are the same. The latest release from CBRE Americas Research puts all this data into a labor market analysis that, well, makes Lone Star sense. Once again, here’s how to find it: [“Scoring Tech Talent in North America 2018”](#)

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