

JUNE 2008

Austin Area Real Estate News

Wednesday, May 7, 2008

Austin recession-proof?

Austin Business Journal

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Austin was named third on the [Forbes.com](http://www.forbes.com) list of the top 10 "Recession-Proof Cities" in the United States.

To create the list, the magazine looked at the 50 largest U.S. metros, examining key measures, such as unemployment data, non-farm related job growth, median home prices and data from a 2007 report, "U.S. Metro Economies: The Mortgage Crisis" by the U.S. Conference of Mayors.

At number three, Austin was right behind San Antonio, which grabbed the second spot thanks to solid employment figures and affordable home prices that continue to rise.

Oklahoma City took the No. 1 spot because of its stronghousing market and solid growth in agriculture, energy and manufacturing.

For its part, Austin was lauded for being a hip town with one of the lowest unemployment rates in the country.

Forbes magazine's list of recession-proof cities also included: Houston, Dallas, Charlotte, N.C., Raleigh, N.C., Salt Lake City, San Jose, Calif. and Seattle.

Forbes says that Texas cities such as San Antonio, Austin, Houston and Dallas-Fort Worth have benefitted from historically lower home prices, land availability and 'little zoning'.

All four Texas cities boast falling unemployment rates, according to Forbes, with Austin dropping from 3.8 percent to 3.6 percent.

http://www.forbes.com/realestate/2008/04/29/cities-recession-places-forbeslife-cx_jz_0429realestate.html

Summer is almost upon us, so get out and enjoy some of the things that make Austin so special!

McKinney Falls



Barton Springs



Friday, May 16, 2008

Austin keeps truckin' on job creation

Austin Business Journal

Providing more evidence of Austin's economic resilience, the region added 4,100 jobs last month with big gains in sectors such as hospitality and professional and business services.

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The April additions included 900 new positions each in the government and leisure/hospitality sectors. Professional/business services added 500 jobs as did retail trade, according to the latest figures from the **Texas Workforce Commission**.

In the last year, Austin has gained 20,100 jobs for an annual growth rate of 2.7 percent. Retail trade added 2,900 jobs since April 2007; professional/business services added 5,700 positions, leisure and hospitality grew by 2,900 and government increased by 3,700 jobs. The largest job declines came in the manufacturing sector, which saw a year-over-year drop of 2,100 positions.

The unemployment rate in the Austin-Round Rock area stood at 3.3 percent in April, down from 3.2 percent a year earlier. That remains better than the Texas unemployment rate at 3.9 percent and the national rate at 4.8 percent.

Texas employers added a total of 15,400 jobs in April for a 12-month job increase of 262,000 positions since April 2007.

Monday, June 9, 2008

Work beginning on Cedar Park Events Center

Austin Business Journal

A groundbreaking event is scheduled Tuesday for the new \$55 million Cedar Park Events Center.

The project includes a 181,000-square-foot indoor event center and a 16-acre mixed-use development with about 91,000 square feet of retail and another 91,000 square feet of commercial development.

The new center will be the home of the **Texas Stars Hockey Club**, which will serve as the primary minor league affiliate for the **National Hockey League's** Dallas Stars.

The city is funding about \$43 million of the project cost.

"The Cedar Park Event Center is truly going to be a lifestyle project where the community and tourists can gather for first class entertainment," says Cedar Park Mayor Bob Lemon. "We expect this facility to enhance the quality of life for our residents and spin off new economic development for the city and region."

The groundbreaking ceremony will take place at 11:30 a.m. on the northwest corner of New Hope Drive and U.S. Highway 183A.

For more on the events center, go to: www.cedarparktx.us/cp/page156102812.aspx

WASHINGTON, June 09, 2008

Home Sales May Rise Modestly Before Broader Upturn in Second Half Of 2008

A modest gain in the level of home sales is possible over the next couple months, and an improvement is forecast for the second half of this year as more buyers are able to access affordable mortgages, according to the latest forecast by the National Association of Realtors®. The Pending Home Sales Index, a forward-looking indicator based on contracts signed in April, rose 6.3 percent to 88.2 from a reading of 83.0 in March. It's the highest index since last October, but remains 13.1 percent lower than April 2007 when it stood at 101.5.

Lawrence Yun, NAR chief economist, said pending sales contracts have picked up notably in areas undergoing significant price drops. "Bargain hunters have entered the market en masse, especially in areas that have experienced double-digit price declines, but it's unclear if they are investors or owner-occupants," he said. "Sharp price reductions are leading to a quicker discovery of price equilibrium points. The West is already seeing year-over-year gains in pending contracts."

The PHSI in the West rose 8.3 percent to 98.8 in April and is 4.0 percent higher than April 2007. In the Midwest, the index jumped 13.0 percent to 83.7 in April but remains 13.1

The PHSI in the West rose 0.9 percent to 90.0 in April and is 1.0 percent higher than April 2007. In the Midwest, the index jumped 13.0 percent to 83.7 in April but remains 13.1 percent below a year ago. The index in the South increased 4.6 percent to 88.8 but is 22.5 percent below April 2007. In the Northeast, the index declined 1.9 percent in April to 79.3 and is 12.2 percent below a year ago.

NAR President Richard F. Gaylord, a broker with RE/MAX Real Estate Specialists in Long Beach, Calif., said the market may be breaking its holding pattern. "It appears that more buyers are realizing they can take advantage of a favorable combination of mortgage interest rates, home prices and family income," he said. "Overall affordability conditions are the best we've seen since the middle of the housing boom in 2004, but with far more choices and much less pressure than buyers experienced four years ago to make an investment in their future. Recent declines in mortgage rates on conforming jumbo loans and a return to sound but not overly stringent underwriting standards will permit more people to qualify for a loan."

NAR's housing affordability index has been trending up this year and is projected to rise 15 percentage points to 128.0 for all of 2008.

"Although mortgage interest rates will remain historically favorable, they will start to steadily inch up," Yun said. The 30-year fixed-rate mortgage should rise gradually to 6.3 percent by the end of this year, and then hold at that level for most of 2009.

Yun said the underlying fundamentals point to a pent-up demand. "Home sales are at about the same level as they were 10 years ago, yet the population has grown by 25 million people and we have over 10 million more jobs," he said. "The housing market has been underperforming by historical standards, partly because buyers were hampered by mortgage availability issues, but that's improved and an upturn is more likely. On the other hand, it's unclear what role consumer confidence will play in the coming months."

Existing-home sales should increase from an annual pace of 5.05 million in the second quarter to 5.83 million in the fourth quarter. For all of this year, existing-home sales are expected to total 5.40 million, and then rise 6.3 percent to 5.74 million in 2009. "Sales gains will be greatest in areas that underwent sharp price declines," Yun said.

After unprecedented home price declines in the first half of the year, many markets can anticipate stabilizing price trends in the second half. The aggregate median existing-home price is likely to decline 8.4 percent in the first half of this year, and then begin to stabilize in the second half before rising 4.4 percent next year to \$213,900. "Policymakers need to be attentive to the fact that many homeowners have seen a reduction in housing equity, or are in an 'underwater' situation. More needs to be done on the policy front to alleviate hardships and bring fence-sitters back into the marketplace," Yun said.

A great mix of conditions continues around the country. "We're seeing healthy price gains in moderately priced areas like Erie, Pa., and Corpus Christi, Texas, and double-digit gains in others," Yun said. "Our most recent data shows sales rising strongly from a year ago in some areas that experienced sharp price drops, including Detroit and Las Vegas."

New-home sales will probably fall 31.7 percent to 529,000 in 2008 before rising 12.5 percent to 595,000 next year. Housing starts, including multifamily units, are projected to drop 27.2 percent to 987,000 this year, and then slip 0.6 percent to 980,000 in 2009.

"Rising construction costs will provide less room for price cuts on new homes," Yun said. The median new-home price is forecast to decline 3.1 percent to \$239,500 in 2008, and then rise 5.4 percent next year to \$252,400.

Yun sees an improving economy. Growth in the U.S. gross domestic product (GDP) should be 1.7 percent in 2008 and 2.0 percent next year. The unemployment rate is estimated to average 5.3 percent this year and 5.6 percent in 2009.

Inflation, as measured by the Consumer Price Index, is expected to be 3.6 percent this year and 2.4 percent in 2009. Inflation-adjusted disposable personal income should grow 1.4 percent in 2008 and 2.5 percent next year.

The National Association of Realtors®, "The Voice for Real Estate," is America's largest trade association, representing 1.2 million members involved in all aspects of the residential and commercial real estate industries.

The Pending Home Sales Index is a leading indicator for the housing sector, based on

The Pending Home Sales Index is a leading indicator for the housing sector, based on pending sales of existing homes. A sale is listed as pending when the contract has been signed but the transaction has not closed, though the sale usually is finalized within one or two months of signing.

The index is based on a large national sample, typically representing about 20 percent of transactions for existing-home sales. In developing the model for the index, it was demonstrated that the level of monthly sales-contract activity from 2001 through 2004 parallels the level of closed existing-home sales in the following two months. There is a closer relationship between annual index changes (from the same month a year earlier) and year-ago changes in sales performance than with month-to-month comparisons.


An index of 100 is equal to the average level of contract activity during 2001, which was the first year to be examined as well as the first of five consecutive record years for existing-home sales.

Fuel Economy Tips

Since we're all feeling the "crunch" these days, I thought it might be nice to pass along some tips that a friend recently sent to me for making the most of every fuel dollar spent.

- Observe the speed limit, every 5 MPH over 60 adds the equivalent of approximately 20 cents a gallon.
- Remove any unnecessary weight from your trunk and back seat. The heavier your vehicle, the more gas it uses. The smaller your vehicle, the more this matters.
- Avoid excessive idling, turn your car off waiting at the bank. The larger your engine, the more fuel used to idle.
- Use cruise control wisely. At highway speeds and on flat roads, cruise control helps maintain a constant speed, using less fuel.
- Check and replace your engine air filter regularly. The air filter prevents debris from entering your engine, if it's dirty, it requires more energy (more fuel) to pull clean air into your engine.
- Keep your tires inflated to the proper pressure. Under-inflated tires can lower gas mileage by .4% for every 1 PSI drop in the tires.
- Use air conditioning at highway speeds, there is less drag on your vehicle with the windows up.
- Use the right grade of oil. There are many weights of oil, check your owner's manual for the right one for your vehicle. The manufacturer has designed the engine to run most efficiently on the recommended weight. The heavier the oil, the more energy required to push it through the engine.
- Use the minimum octane requirement for gasoline. Again, check your owner's manual, unless it says "Premium Fuel Only" you can use the minimum octane fuel listed.
- Don't "top off" the tank, when the gas pump clicks off, stop. When you "top off", there is more evaporation, and you pay for fuel that doesn't even make it in your tank.
- When you are filling up the tank, use the middle setting on the gas pump. You get more fuel and less fumes this way.
- If you fill up when you have half a tank rather than when you are on "E", you will improve your gas mileage, again, more fuel and less fumes.
- If you fill up in the morning, the underground tanks are cooler, therefore the gas is heavier and you get more fuel for the price.

It's always a good idea to avoid a service station if the gas truck is there filling the underground tanks. When they are filling the tanks, it stirs the sediments up from the bottom, and that can enter *your* tank and cause fuel injection problems.



***The Lighter Side—
just because we
can all use a good
laugh!***

A WOMAN'S WEEK AT THE GYM

This is dedicated to everyone who ever attempted to get into a regular workout routine.

Dear Diary,

For my birthday this year, my daughter (the dear) purchased a week of personal training at the local health club for me. Although I am still in great shape since being a high school football cheerleader 43 years ago, I decided it would be a good idea to go ahead and give it a try.

I called the club and made my reservations with a personal trainer named Belinda, who identified herself as a 26-year-old aerobics instructor and model for athletic clothing and swim wear.

My daughter seemed pleased with my enthusiasm to get started! The club encouraged me to keep a diary to chart my progress.

MONDAY:

Started my day at 6:00 a.m. Tough to get out of bed, but found it was well worth it when I arrived at the health club to find Belinda waiting for me. She is something of a Greek goddess - with blonde hair, dancing eyes and a dazzling white smile. Woo hoo!! Belinda gave me a tour and showed me the machines. I enjoyed watching the skillful way in which she conducted her aerobics class after my workout today. Very inspiring!

Belinda was encouraging as I did my sit-ups, although my gut was already aching from holding it in the whole time she was around. This is going to be a FANTASTIC week-!!

TUESDAY:

I drank a whole pot of coffee, but I finally made it out the door.

Belinda made me lie on my back and push a heavy iron bar into the air then she put weights on it! My legs were a little wobbly on the treadmill, but I made the full mile. Belinda's rewarding smile made it all worthwhile. I feel GREAT-!! It's a whole new life for me

WEDNESDAY:

The only way I can brush my teeth is by laying the toothbrush on the counter and moving my mouth back and forth over it. I believe I have a hernia in both pectorals. Driving was OK as long as I didn't try to steer or stop. I parked on top of a GEO in the club parking lot.

Belinda was impatient with me, insisting that my screams bothered other club members. Her voice is a little too perky for early in the morning and when she scolds, she gets this nasally whine that is VERY annoying. My chest hurt when I got on the treadmill, so Belinda put me on the stair monster. Why the HECK would anyone invent a machine to simulate an activity rendered obsolete by elevators? Belinda told me it would help me get in shape and enjoy life. She said some other stuff too.

THURSDAY:

Belinda was waiting for me with her vampire-like teeth exposed as her thin, cruel lips were pulled back in a full snarl. I couldn't help being a half an hour late, it took me that long to tie my shoes!

Belinda took me to work out with dumbbells. When she was not looking, I ran and hid in the restroom. She sent another skinny witch to find me. Then, as punishment, she put me on the rowing machine -- which I sank.

FRIDAY:

I hate that witch Belinda more than any human being has ever hated any other human being in the history of the world. Stupid, skinny, anemic, anorexic little cheerleader. If there was a part of my body I could move without unbearable pain, I would beat her with it.

Belinda wanted me to work on my triceps. I don't have any triceps! And if you don't want dents in the floor, don't hand me the darned barbells or anything that weighs more than a sandwich. The treadmill flung me off and I landed on a health and nutrition teacher. Why couldn't it have been someone softer, like the drama coach or the choir director?

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SATURDAY:

Belinda left a message on my answering machine in her grating, shrilly voice wondering why I did not show up today. Just hearing her made me want to smash the machine with my planner. However, I lacked the strength to even use the TV remote and ended up catching eleven straight hours of the Weather Channel.

SUNDAY:

I'm having the Church van pick me up for services today so I can go and thank GOD that this week is over. I will also pray that next year my daughter (the little brat) will choose a gift for me that is fun -- like a root canal or a hysterectomy! I still say if God had wanted me to bend over, he would have sprinkled the floor with diamonds!!!

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