

## 4th Quarter 2007

Hello all, my 4th quarter market update just before the year ends. Indeed it has been a very interesting second half of the year. On my last quarterly I mentioned national mortgage issues would have some negative impact on our market though I expected it to be temporary. So far our market has held up better than expected, let's look at the facts.

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In June (just before the mortgage issues) Austin's general market supply was at 3 mths, a very strong/healthy market. Currently it's 4.6 mths. A balanced market is considered 5-5.5 mths so as you can see our market has gone from a strong Seller's market to a soft Seller's market. As such prices have softened 3-5%, inventory has risen and appreciation stopped around June but we're certainly not in a bad market based on this 4.6 mth supply. In fact, Austin has been one of the best markets in the country in 2007 comparatively speaking. See below.

National Market Comparison (2nd section of article)

Where Are Austin Home Prices Headed?

Austin Housing Market Considered a Bargain

#### Austin's

strong job market and economic fundamentals have been the primary reason for our market holding as it has - the local economy has added 22,000 jobs in the last 12 mths, well above average job growth and it is expected to continue into 2008. Unless macro level items like inflation, oil and loss of value on the dollar have large national effects, I believe our real estate market will see strong demand by summer due to the job growth and general public realizing the market here is not tanking. We are also likely to see appreciation in 2008 given these factors.

#### Current Job market stats

#### What Makes Austin Economy Grow

In

closing, central has held relatively strong up to \$600k with oversupply above \$700k. Homes in the suburbs have been hurt the most under \$200k and above \$400k. Areas in between central and the suburbs like Great Hills have held strongly up to \$750k. Homes in the \$1m+ range are oversupplied in general but have seen only seen about 5% drop in price through December. Call me if you'd like to discuss your particular area/neighborhood and please know that in our current market, getting straight advice and proper education are paramount. I'm here to provide that to anyone close to you so please connect us. Happy NY!!!!

#### POLAR BEAR SWIM Only in

Austin! An invigorating, or just insane, way to start the new year: A 200-meter dash in the chilly waters of Lake Travis. Ahhh, just like a million needles piercing your body all over. Tue., Jan. 1, 11am.

Lake Travis, Mansfield Dam Park (on Mansfield Road, five miles south of RR 620 & FM 2222), 327-2260. \$35. [info@americanswimmingassociation.com](mailto:info@americanswimmingassociation.com) [www.runtex.com](http://www.runtex.com)

"You can have everything in life you want, if you will just help enough people get what they want."

Tarek Morshed

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David Rothgeb and Tom Lamm, Master Carpenters-  
If you're looking for custom level work around carpentry, decks,  
cabinetry, trim and general remodeling these 2 will truly impress.  
Their work is at artisan level! 512-825-3838

Mars Restaraunt-  
Their new location on South Congress combines great food, atmosphere  
and impressive architecture. Take a stroll down cool SOCO and then have

a romantic meal or fun group gathering. If you like fusion food, no one in Austin does it better. [www.marsaustin.com](http://www.marsaustin.com)

Keep an eye on your grading/drainage around the house in addition to your gutters. Walk around the house to see if any areas where water would or could pool around your foundation and address if needed. On gutters, clean them out once a year. Call if questions :-)

Economic Growth-Emerging Technologies in Austin  
- An incredible site where I get some of my info that I educate you on!  
What's coming up in Austin in terms of growth areas and directives?  
This is a great place to start!