

2nd Quarter Update from 2008

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Currently, our market is what I would consider a balanced market. Austin's current supply of housing is at 5.7mths. I've always said 5.5-6mths is a balanced market and represents a stable but not strong market. However, it is also a sectorized market, with certain areas or price-points behaving differently. For example, under \$400k in most central areas is still undersupplied at 4 mths. In Westlake and Great Hills it's undersupplied up to \$800k yet homes above \$1M are starting to see larger price drops. Conversely, areas like Round Rock or Dripping Springs are oversupplied in price-points under \$200k and above \$300k.

Some Cities are Spared the Slide in Housing

The best way to describe today's market may be to consider prior years. For the last few years, homes in the first and second tiers (presents well, priced right and at worst needed very light updating) sold fast while fixer-uppers sat longer on the market. Today, the first tier homes (unless in suburbs) still sell fast and sometimes with multiple offers but the second and third tier homes are sitting a lot longer. The latter tiers represent the majority of our supply increase from 3.7 mths last year to today's current 5.7 mths. Negotiability exists on the 2nd and 3rd tier homes but very little still in the first tier.

Best Cities for Home Sellers

Our market, while softening, has not devalued like other markets due to local economic fundamentals remaining strong. Employment, our main driver in the local real estate market is on pace to create 16,000-17,000 jobs. While that figure is down from 2007's impressive 23,000 jobs, it is still above-average and compares very favorably to the rest of the country.

Consider this: average supply nationally is 11 mths vs 5.7 mths in Central Texas and prices nationally are down 12% vs 1-2% in Central Texas.

America's Fastest Growing Metros

Austin Economy Slower but Solid

Austin Recession-Proof?

My expectation for this year is 4-6% appreciation. However, most of that will occur in sectors within Austin city limits and Westlake under \$900k. Given that various sectors are acting so differently, please don't hesitate to call and ask about your particular area.

Check out the casual gatherings at the Blanton Museum the first Friday of each month called B Scene. Something different to do indeed with a casual and cool mix of music, food and art . www.blantonmuseum.org

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Bruecher Foundation - In Central Texas, foundation issues are relatively commonplace so an honest foundation contractor is a must! I've personally used and referred Bruecher Foundation for 8 years and trust Howie implicitly. 512-335-8867

If you have a dryer that is not close to an exterior wall, you likely have a duct that travels to an exterior wall. Have this duct serviced and cleaned once every 2 years as it's a fire hazard and can cause damage to your dryer.

Learn all about where Austin is heading over the next 5 years. This site maps out the unique collaborative efforts of the area chambers which spearheaded so much of Austin's economic growth in the last 5 years and now the future 5 years: www.opportunityaustin.com

Couple of cool local web-guides. One focuses on a variety of lists within categories ranging from dining to art. The other mostly on the hip and happening music scene in Austin. www.downtownaustin.com www.do512.com