

3rd Quarter 2008 Market Update

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Job & Employment figures for Austin & Texas - Austin Letter

Business Week - Fastest selling markets in current economy

Forbes - Austin best value for the dollar

For the most part our local economy has not taken big hits throughout this year; in fact we're on pace for 12,000 net jobs added which is an average economic growth year for our economy. This is the major reason our real estate market has not tanked like most other cities - the job market is the primary driver for our real estate market. However, I feel this will change in the next 2 quarters. With the latest economic upheaval of '08 in the financial markets, corporations and companies are taking hits such that they likely have no choice but to shed jobs. This will trickle down to Austin which in turn will affect housing demand negatively over the next 2 quarters.

Metrostudy Austin economic report summary

Currently Austin is at a 6.4 mth inventory compared to 5.8 mths on my last update. 6 mths supply is considered a balanced market in terms of supply/demand. Comparatively speaking, the NATIONAL average is 12 mths. I do expect us to be at 7.5 mths by end of year given the high probability of job attrition as mentioned above. In new construction, supply will continue to increase from the current level of 6 mths (healthy compared to other markets) but since builders pulled back on bringing new inventory to market starting last June there won't be a huge oversupply. I think it will be late spring/early summer before supply in both arenas will stop climbing.

Austin area builder report

Texas Real Estate Center - Mark Dotzour report

While overall supply is at 6.4 mths, price-points and sectors are being affected differently. For example in central Austin under \$400k, supply is still under 6mths. However, anything above \$500k is oversupplied leading to more negotiability. Southwest is holding strong up to \$350k. Areas like Round Rock are above a 6 mth supply over a \$225k price point. Westlake is still undersupplied below \$500k but oversupplied above \$600k. Lakeway area is oversupplied starting in the \$300k range. Downtown condo market will be oversupplied by end of first quarter above \$300k.

It's the 7th annual EAST studio tour! Nov 22nd and 23rd, take advantage of the opportunity to view over 200 artists and 150 studios. There is truly something for everyone and a cool opportunity to support local economy. I suggest picking up the EAST studio tour guide (on website) and mapping out your faves as there is simply too much to see.

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

Tarek Morshed

tarek@tarekmorshed.com

512 799-8001 direct •

512 482-9992 office

2610 Manor Rd. Ste B,

Austin, TX 78722

www.tarekmorshed.com

Blue Dahlia Bistro- Off the beaten path and food is good but not great. However, it's a great spot for a small group or just you and yours for a relaxed and intimate experience...menu is mostly cheese plates, sandwiches, wine and a few entree choices. Blue Dahlia Bistro

Winter is fast approaching, good time for you to have the HVAC (heating and cooling system) serviced for the annual check-up. Have it cleaned, check the evaporator coils and make sure the burners that fire up your system aren't clogged or don't have lots of built-up soot/rust.

Maybe I'm a little out-of-touch and this is old news to a lot of you but there are just too many sites to keep up with! Go to Pandora.com, input your favorite artist(s) and you'll end up with your own personal internet radio stations built around that artist and similar artists. No limitations to how many stations you can set-up. Very cool!

