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Dear Client:

Sure, the population of this area is increasing at a rapid rate, creating occasional chaos on the roadways. But you already knew that. Another lesser-known factor, though, is jamming the area's roadway backbone, IH35. And the number of Big Rig 18-Wheelers is increasing as we speak. It's not just pass-through traffic on the Mexico-Canada route. Those monster trucks are growing in number to service the growing Central Texas population.

As you tightly-grip your steering wheel driving the stress-inducing distance between Austin and San Antonio, it is difficult to check out what is happening on both sides of IH35. You may notice 18-Wheelers entering and exiting IH35. But the significant part of this equation is the **reason they are jamming IH35 at this point: they are loading and unloading massive amounts of goods slated for businesses near you.**

IH35 is one of the nation's most important arteries of commerce. It provides those who haul goods with connections to customers. **And the portion of IH35 between the Capital City and the Alamo City is fast-becoming one of IH35's largest warehousing and distribution centers.**

One example under construction right now: a new 397,600 sf Class A warehouse is scheduled to come online late this year or early 2017. Fittingly named the "I-35 Logistics Center," it isn't a run-of-the-mill storage shed. It has 80 dock-high, rear-load doors with 52 additional trailer drops and a circulation driveway outside the truck court. Says the developer: **"it allows tenants to quickly and efficiently service the entire Central Texas region."**

This stretch of road isn't appealing just because of its proximity to two of the nation's most interesting and fastest-growing cities. **In addition to the obvious north-south IH35, it is very close to east-west IH10.** And railroad, freight, aviation and other regional highways are located nearby.

Tenants of this region's logistics/distribution industry range from perishables such as food to automotive. **Add it all up and you can see why the numbers of Big Rigs will continue to escalate on IH35.** Toll road SH130 will take some of the traffic as vehicle movement on IH35 slows. And the planned expansion of IH35 will help, though even if construction started this morning, it is years away from completion. You are forewarned.

New homes all across the nation have been getting steadily larger during the last couple of decades and, right now, the Austin metro boasts the largest “starter homes” in the US. Other metros rank higher in sizes of the “trade-up” and “premium” home categories. But for those seeking a first home, Austin offers more square footage per starter home than other metros.

The national real estate company Trulia analyzed the square footage of homes in the major metros and ranked the median size for each of the three price categories. And a cursory look at the Top Five US metros for these categories shows the **Austin metro offers residents a bigger starter home than other metro areas.** Not bad, especially in the midst of the local debates about affordability. Let’s look at some of the stats.

The median size of the starter home in the Austin metro is 1,428 sf.

The remaining Top Five, in order: **Atlanta**, 1,344 sf ... **Newark, NJ**, 1,330 sf ... **Montgomery County, PA**, 1,326 sf and **Houston**, 1,320 sf.

Houston was the only US metro that ranked in the Top Five in all three categories, nailing down the #1 slot for the “trade-up” category (1,997 sf) – Austin was #4 (1,893 sf). But Austin didn’t scratch the Top Five in the “premium” category where Houston was #4.

The metro with the biggest “premium” size home was **Colorado Springs, with a median size of 3,056 sf** Dallas was #2 and Houston was #4. Austin didn’t make the Top Five.

Austin has long been recognized as a place where the young adult demographic stands out. After all, the “Live Music Capital” designation screams out as the place to be for them. Not as widely known, but still a significant part of the Austin area population is the increasing population of seniors. Now, two separate studies emphasize these divergent distinctions.

According to a just-released study by onlinedegrees.com, **Austin is #1 on a list of best big cities for new college graduates**, a list that includes three other Texas cities in the Top Ten. **Austin is singled out for its well-known appeal to young adults – “a combination of economic opportunity and a fun lifestyle.”** Not surprisingly it also cites a growing foodie scene and some of the country’s best music festivals.” But what about older residents?

Austin ranks #2 in a new list of “the best places for seniors to live ... while balancing their diverse preferences and needs.” Using an advanced algorithm known as *SeniorScore*[™], SeniorAdvice.com rated **more than 100 variables across four major categories in every major city in America.** It claims *SeniorScore*[™] is “un-biased and is not influenced by personal opinion or financial interests in any way.” Citing a number of Austin’s assets, it concludes “all these features combined have helped put Austin on the map when it comes to senior-friendly destinations.”

Are we heading toward another housing meltdown? Some think recent action by major lenders is a move back to the bad ole days of home lending, while others view it as a boost to home buyers concerned about skyrocketing home prices.

Bank of America and Chase are quietly offering a new kind of home loan *with as little as 3% down*. **The banks are pitching the loan as another option to those traditionally offered to first-time home buyers through the Federal Housing Administration. Stay tuned.**

You know the four largest Texas metros, in order, are Dallas-Fort Worth-Arlington ... Houston-The Woodlands-Sugarland ... San Antonio-New Braunfels ... Austin-Round Rock. So, who is #5? El Paso? Nope. El Paso has now been supplanted by McAllen-Edinburg-Mission.

Speaking of rankings, UTAustin has been placed at #32 among the *world's* top 1000 universities by the 2016 edition of the Center for World University Rankings (CWUR). *Nationally*, UTAustin ranks #8 among public universities and #23 overall.

“CWUR examines the **impact and quality of our professors as well as the accomplishments of Texas Exes** in the business world and their communities,” said UTAustin president **Greg Fenves**. Other Texas universities in the top 100 are **UTSouthwestern Medical School (#75) ... UT MDAnderson Cancer Center (#85) and TexasA&M (#98)**.

Okay, we're on a roll here. Let's examine a recent report by the business group, Partnership for New York City. The study laid out the reasons the Big Apple is slowly losing its grip on the financial industry. It noted major players in the financial sector are shifting operations elsewhere. And a Texas city – not Austin, durnit – showed up as the #2 “threat” to NYC.

So, where are those finance industry jobs going? When you look at the economy of Texas major metros, it makes sense that **Dallas-Fort Worth is #2 on a *Forbes* list showing New York's top competitors** for those jobs within the US, behind Phoenix.

This reinforces a seismic shift in US economic power. And the numbers bear this out. Last year alone **the Dallas area financial sector jobs grew by 4.7%, more than double the national rate**, according to the Bureau of Labor Statistics.

We can tip our hats to Dallas in this category, but Austin is not chopped liver according to *Forbes'* **list of cities competing with NYC in financial services job growth. San Antonio was #3 and Austin #7.** How about them apples, Big Apple?

Remember we told you to double-down on your bet that the ride-sharing, super-funded giant Uber would be coming back to Austin in a big way? Another signal indicating Uber is a super-competitive force with others: it has cut a deal with American Airlines to offer its frequent flyers discounted rides to and from the airport. Stay tuned.

You can exhale now. We know you've been holding your breath just waiting to find out voters' favorite unusual Texas town name. The summer-long online poll called "Small Towns, Great Names" just concluded with a clear winner. Lick Skillet didn't make it. Neither did the Central Texas town of Dime Box. Nor did Cut and Shoot. Nope, the winner is "The Town Without a Frown" – Happy, Texas, population 680.

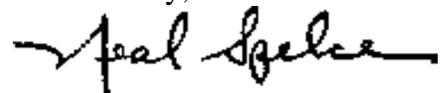
It was a fun contest, conducted by TexasA&M's Real Estate Center that regularly conducts economic studies and analyses of the Lone Star State. **The contest started in mid-June with a list of more than 120 names. And it included some doozies (the Center called them "interesting") that you most likely never heard of.** The number was pared down to 20 for the second round, ten for the third and three for the final.

So, what do we know about Happy? As you might expect – not much. **The tiny town in the Panhandle of Texas fits inside a total area of 1.1 square miles.** The median age is fairly young for a small town – 37.6. And most residents apparently have a pretty good life because, without a lot of places to spend money, the median income is \$40,469. It is home to the Happy High School Cowboys and **its most famous favorite son is the late Rockabilly musician, Buddy Knox.**

Happy was the runaway winner in the final online voting round. **With 437 votes tallied, Happy garnered 51% of the vote to 2nd place finisher's Cut and Shoot 30% total.** Dime Box was 3rd in the final voting with 19%.

Dr. Louis Overholster's life-long question: "When does 'old enough to know better' kick in?"

Sincerely,



Editor/Publisher

