

THE

Real Estate

AUSTIN LETTER

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Dear Client:

A recent national report says the recession in Austin ended in August. If true, what happened in 2009 through August could portend great things for the Austin area in the months and years ahead.

Moody's Economy.com and MSNBC.com's latest Adversity Index moved Austin from "recession" into "recovery," indicating **the data on jobs, manufacturing and housing grew from six months earlier**. The Austin metro was not alone. Out of the nation's 384 metro areas, 79 moved into the "recovery" stage. The report also noted that this initial recovery is going to be slow.

Three things have to happen before the current *national* recession can be declared ended and only one is underway, reports Dr. **Mark Dotzour**, chief economist for the Real Estate Center at TexasA&M. **"I think the economy will begin to turn for the better once the health care and the cap-and-trade issues are settled,"** says Dotzour. "Those two political debates are creating substantial uncertainty for business owners and investors."

The second trend to watch is consumer spending, which is more than 70% of the US economy. Watch for when consumer spending starts to increase again. **Increased corporate profits are the third trend** and Dotzour says there is some indication that this has already begun.

Back to the Austin metro. During all of the hand-wringing over the national recession, Austin has remained resoundingly resilient – at least when compared to the rest of the nation. For instance, **FORTUNE magazine recently named the Austin area as the nation's 8th best place to start a small business**. This is an important designation during economic down times, as entrepreneurship spikes dramatically during tough times.

This recent designation triggered a thought. It seems throughout the economic distress of 2009, the **Austin metro has been uniquely singled out time and time again for accolades** compared to the rest of the nation's major metros.

As a result, we're devoting the remainder of this edition to list some, not all, of the **national recognitions accorded Austin through August 2009**. It's quite an impressive list.

If it seems to you that we frequently report on the “best this” or “best that” rankings in which Austin is among the nation’s leaders, well, that’s accurate. And it’s significant in its scope.

It is amazing the number of mentions the Austin area has received just this year. For the record, here’s an extensive list for your edification, starting in January 2009.

Austin named one of America’s 25 Strongest Housing Markets. *Forbes* worked with Moody’s Economy.com to compile a list of the country’s real estate markets that are nearest to recovery. 1/7/09.

Austin named one of 15 Coolest North American cities. *MSN Travel* cited Tex-Mex food, music, the state capitol and “its laid-back atmosphere.” 1/22/09.

Austin named one of America’s Top 30 Most Wired Cities. Since 2007, *Forbes* has measured cities’ wired quotient by computing the percentage of Internet users with high-speed connections and the number of companies providing high-speed Internet. 1/22/09.

Austin named #2 Healthiest Housing Market for 2009. *Builderonline.com* selected markets with the best and least potential based on population trends and job growth — perennial drivers of housing demand and other key factors. 2/17/09.

Austin 10th Best City for Moviemakers. *MovieMaker* magazine says Austin is once again one of the cities that offer moviemakers the best all-around chance for finding success during these tough economic times. 2/18/09.

Austin-Bergstrom International among Top Performing Airports. Airports Council International ranked Austin’s airport 3rd in North America. 3/10/09.

Austin & Raleigh are Fastest-Growing Metro Areas. The US Census Bureau named these as the top two metros for growth between 2007 and 2008. 3/19/09.

Austin among top 20 Best Places for Business and Careers. *Forbes* looked at 200 largest metro areas based on 11 different criteria. 3/25/09.

Austin comes in 2nd in Top Ten Cities where Americans are Relocating. Another ranking by *Forbes*. 3/30/09.

Austin named #1 Big City for Jobs. “Understanding what makes this attractive, fast-growing city tick can tell us much about what urban growth will look like in the coming decades.” *Forbes*, 4/12/09; also *New Geography*, 4/15/09.

This isn’t all. There’s much more. See the next item.

The top national rankings for the Austin area continued throughout 2009. Here's more.

Austin is a City of the Future. *fDi Magazine* ranked Austin #5 – behind New York, Chicago, Houston & San Francisco – using seven categories. April/May 09.

Austin Named One of the Ten Best Cities of 2009. Austin ranks #8 on *Kiplinger's Personal Finance's* Ten Best Cities of 2009. 5/09.

Austin Best Bargain City in the US. *Forbes* looked at the country's 50 largest metros and Austin earned high marks across the board. 5/09.

Austin Chosen as one of Top 20 Places to Thrive. *BestBoomerTowns.com* picked Austin as one of its top places in the US to thrive in retirement. 5/7/09.

Austin #7 Tech Center. Austin ranks #7 on *bizjournal.com's* list of the nation's biggest tech cities. 5/11/09.

Austin ranked 11th Best City for the Outdoors. *Forbes* used data from the Trust for Public Land, the Environmental Protection Agency and the National Oceanic and Atmospheric Administration to compile its list of 40 cities. 5/12/09.

Austin the Nation's Best City for a Fresh Start. According to *Relocation.com*, Austin is the best city to start over and seek new economic opportunities. 5/21/09.

Austin Ranks 9th on American Fitness Index. The American College of Sports Medicine compiled this ranking of the nation's 50 largest metros. 5/26/09.

Austin Projected to be among 5 Fastest Growing Metros. *Bizjournals.com* projected populations for nation's 250 largest metros out to 2025. 6/1/09.

Austin Ranked in Top 20 High Tech Metro Area. In research by the Milken Institute, Austin was #20 while San Jose and Seattle were #1 and #2. 6/2/09.

Austin one of Ten Best Places to Live. *USNews&WorldReport* ranked affordable communities with strong economies and fun things to do. 6/8/09.

Austin Ranked Best City for Recession Recovery. *Forbes* picked Austin as the best in its Top Ten Cities poised for a rebound. 6/10/09.

Austin is the 3rd Strongest US Metro Economy. The Brookings Institution kicked off a quarterly monitoring effort by naming Austin #3. 6/16/09.

Is there another metro in the country with all these designations? Not likely.

Accolades for Austin continued throughout the downturn of 2009.

Austin tapped as the nation's 2nd most affordable city. *Forbes* calculated the average Austin family budget was 72% of median family income. 6/29/09.

Austin near the top for Most Job Postings Per Capita. *USNews&WorldReport* named Austin as 4th healthiest big-city job market in the US. 7/10/09.

Austin is the #3 Best City for High-Paying Jobs. *Forbes* based this list on trends in “business and professional services” as the fastest growing sector in the high wage economy. 7/14/09.

Austin a Top Ten Start-Up City. *Entrepreneur* magazine ranked Austin among 10 cities that embody the entrepreneurial spirit. 8/09.

Austin #2 Best City For Working Moms. *ForbesWoman's* first-ever list of the “Best Cities for Working Mothers” ranks Austin 2nd, just behind New York City in a study that examined the 50 largest US cities. 8/4/09.

Austin named the Top City for Your Career. *SalesHQ.com* put Austin at the top of this list because of its robust projected growth and one of the lowest changes in unemployment rate since the onset of the recession. 8/25/09.

This is not a complete summary of all the national “Top” rankings for the Austin metro through August 2009. **And it doesn't include a number of rankings for the state of Texas that significantly reinforce Austin's position because of Austin's role as an economic leader in the state.** But taken in its totality, you can see why we suggested that – if these accolades came Austin's way during the downturn, and the metro has now been labeled as moving from “recession” to “recovery” — great things could be on the horizon.

Dr. Louis Overholster reminds you “teamwork means never having to take all the blame yourself!”

Sincerely



Editor/Publisher