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Dear Client:

**As we move into December it's time to look ahead to 2019. This is especially true when you single out real estate – an essential portion of the Austin economy. It also affects personally so many residents of the fast-growing 5-county Austin metro area. So, what can you expect to happen next year?**

The Urban Land Institute and PWC's *Emerging Trends in Real Estate: 2019* gives high marks to the Austin area and to Texas' major metros. In fact, **Austin ranked #6 in the study, but it took a back seat to #1 Dallas/Fort Worth.** San Antonio ranked #20, while Houston ranked #37 in the review of the nation's major markets. **These strong Texas cities have a significantly higher percentage of a younger population than the rest of the US.** This means there should be strong labor force growth and productivity.

**“As a result, demand for housing in these Texas markets is expected to remain strong through 2019,”** Dillon Cook, founding partner and COO with Range Realty Advisors (RRA), told GlobeSt.com. **“Also Millennial demand for housing in these Texas markets is expected to continue for many years as a growing share get married, attain higher income levels and have children.”**

There's more to this positive real estate outlook than just demographics.

**“Housing demand continues to be fueled by relatively low interest rates, low unemployment and continued economic growth,”** Cook pointed out.

And Austin is among the nation's leaders in these categories.

Yeah, but, what goes up must come down, right? This may be true, but it's all relative. Range Realty Advisors points out “the ups and downs of economic cycles can vary substantially globally, regionally and by state.” **Cook says it is entirely possible the next nationwide economic downturn will look and feel very different in Texas compared to other states.**

In *previous* economic downturns, there have been several causal factors – **rampant speculative development for one. In Austin most speculative real estate development is leased/sold as soon as it's finished.** There are other national and international factors that are not currently apparent. Conclusion: “Add to this strong economic and job growth, high level of consumer confidence and business investment, and many believe **Texas will continue to be a magnet for real estate investors and developers for years to come,**” notes RRA.

**The flip side of the impact of the younger Millennial population group on Austin is the fast-growing senior population – and their role in residential real estate. For instance, the number of renters in their early 60s jumped 84% between 2006 and 2016. There are more seniors and they are living longer.**

As a result, the changes to real estate become essential. **With more seniors living longer lives, developers have upped their game in amenities for senior living communities.** What kinds of amenities? The old clichés of shuffleboard and bingo no longer apply.

Many communities are offering private wine lockers and a private putting green as well as access to golf courses. But, a new standard of living has emerged – gourmet food access, cabana lounges with outdoor grilling units, Internet coffee bar, hair/nail salons, private libraries. **High-end amenities catering to an active lifestyle are becoming essentials for seniors.**

**Switching to life in the fast lane, it looks as if the long-discussed, *privately-financed* first bullet train in Texas – and, in the US as well – will soon begin. At least the latest developments make it look that way.**

The Chief General Manager of Central Japan Railway Company says his company, in partnership with Texas Central Railway, should **break ground next year.** The train is set to connect Dallas and Houston.

Texas Central has cleared many hurdles and is awaiting final approval from the Federal Railroad Commission. **It will be interesting to see if bullet train opponents will make another effort in the upcoming legislative session to derail the huge project.** Fares have not been announced, but train owners say the tickets will be competitive with airline fares.

**US Democrats are lining up to gain their party's nomination to run for US President. Another Texan has now changed his public statements about seeking the Presidency. In addition to former San Antonio mayor Julian Castro who has all-but-made-his-candidacy official, the loser in the just completed race for USSenate, Beto O'Rourke, is now waffling in his stance.**

You may recall O'Rourke said in his campaign against USSenator **Ted Cruz** that he would “not be a candidate for president in 2020” regardless of the outcome. Well, that has now changed. **He is telling reporters a run for the Dem nomination is now possible.**

What's changed? **The continuing national publicity and constant private urging from national Dems appear to be persuading him** to consider jumping into the race, which will probably be similar to the GOP race last time when 16 candidates made the effort.

**Question of the week: Why are Austin's trees having such a colorful autumn? Sure, trees in the area have shown some color in years past. But, this year? The fall foliage is quite spectacular. Of course it's not like the Colorado aspens. But for longtime residents of the Austin area, it is a wonderful colorful departure from the norm.**

Foliage color has appeared in new places this year. And in places where the changing season has triggered color in the past, it has been much more pronounced this year. What has happened to trigger this delightful visual display? We can thank **Mose Buchele** with **KUT-FM** for the answer: **three ingredients went into making 2018 the best fall foliage year in recent memory – water, cold and tree diversity.**

**WATER.** In September and October, Austin got almost 16 inches of rain. That's well above the average. **April Rose**, the Urban Forest Health Coordinator for the City of Austin explained: **"Our trees were very well-nourished with water. That definitely helped them retain their leaves well into the fall, when some of their leaves may already have been dropping."**

Without delving into the science involved, Buchele put it more simply by saying **more leaves stayed on trees to see shorter days and cooler temps. Those are two things that trigger brilliant fall colors.**

**COLD.** The cooler than average September and October helped, too. **"It's been cooler for a long duration without a really heavy frost. So it's given the trees a chance for the (green) pigment to really break down and allow the other, subtler pigments that we don't normally see to shine through,"** said Rose.

**TREE DIVERSITY.** Different leaves react differently to the cold. This is where the final ingredient – tree diversity – comes in. **Over the years, Austin's urban tree canopy has become much more varied in the different types of trees it contains.** Residents seek out *variety* in trees for home landscapes, and Buchele points out the city plants different kinds of trees to prevent species-specific tree diseases from doing too much damage.

It's a good time to be living and working in the Austin area.

**Another unique, colorful event is taking place nearby this weekend – *colorful* in a different way. It's the 4th annual Festival of Texas Fiddling. Fiddling? Yep, bet you weren't aware master fiddlers from varying styles across Texas will be "sawing" away Saturday, Dec. 1st.**

What type of fiddling? **Old-time Country. Western Swing. Creole. Texas Polish.** It's at the Twin Sisters Dance Hall in Blanco. And "All Day Dancing costs only \$10." How about that!

**The college football season is grinding down. But, college football “action” is gearing up for the Texas Legislative session, that begins just a few days following the top college football bowl games in January. Your legislators may consider acting on a bill that would renew the storied rivalry between the Longhorns and the Aggies.**

The two teams have met a total of 117 times – dating back to 1894 (see what we mean by “storied”?). **But the last time they met on the football field was in 2011 when the Horns won an exciting (*heart-breaking, if you’re an Aggie*) game.** After that, the Aggies left the Big 12 and joined the SEC, and the traditional game fell by the scheduling wayside.

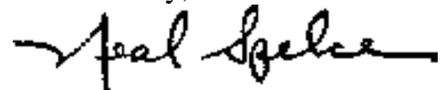
So now, a Fightin’ Texas Aggie State Rep. **Lyle Larson has introduced a bill requiring the two former rivals meet each November.** And he is proposing penalties if the schools fail to comply. **How likely is this bill to pass? Hey, anything can happen.** Look at all the superficial bills that passed in previous sessions. And no less a leader than Gov. **Greg Abbott** has weighed-in. He gave a Hook ‘Em Horns hand sign when he claimed to be in favor of the rivalry return.

Just because it’s been seven years since the two teams met on the gridiron, it hasn’t **dampened the competitive fire. For instance, Aggie jokes still abound.** One wag is suggesting that if the rivalry renewal bill is considered, companion legislation should also be considered that would require TxDOT to change highway signs on Hwy 6 to College Station be re-done to read “Hwy 6, A&M 0” (sorry!).

Also, state officials getting involved in college sports is nothing new. When the old Southwest Conference re-aligned to form the Big 12, Baylor alums **Gov. Ann Richards** and **Lt. Gov. Bob Bullock** were credited with tipping the scales to keep Baylor in the Big 12, even as another private school (with no state official alums), SMU, was kept out. Stay tuned.

**Dr. Louis Overholster** likes this quote from former **Senator Eugene McCarthy** comparing politics to football: “Being in politics is like being a football coach. You have to be smart enough to understand the game, and dumb enough to think it's important.”

Sincerely,



Editor/Publisher