

Texas Ahead



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“Our Group is Doing More Business Than Ever Before”



Kiersty Lombar
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Texas real estate market has something for everyone.

For Keller Williams Realty, the Texas real estate business is solid and growing, according to Kiersty Lombar, an agent and team leader with Keller Williams' Central Texas Elite Homes. Lombar provides real estate representation for buyers and sellers of residential, commercial, luxury and investment properties.

Keller Williams has expanded its number of real estate agents by 450 percent over the past 10 years, and now has more than 9,800 in Texas. Keller Williams was involved in 17.2 percent of all property sales in Central Texas in 2007.

“In my opinion, Texas appears to be fairly well positioned over the next few years,” says Lombar. “Texas, and Central Texas in particular, continues to have strong job growth across many industries, low housing costs compared to other markets, historically low interest rates, low unemployment and a lower-than-average foreclosure rate.

And while the national real estate market is seeing rocky times, Lombar says, “Remember: all real estate markets are local. In the Central Texas/Austin area this year, we’ve seen a 7 percent increase in the average price per sale [over last year].” Despite the national housing downturn, Lombar sees continuing strong sales

Texas: The Housing Advantage

Texas is known as a great place to live and work, with a business-friendly attitude and a cost of living among the nation’s lowest. And a big component of our low cost of living is a healthy and affordable housing market.

- According to the Census Bureau’s 2006 American Community Survey, Texas ranked 42nd among states in its median housing value, at just \$114,000. Among the 10 most populous states, Texas had the lowest median value by far, at about a fifth of California’s price and a little more than a third of New York’s.
- Home ownership is less burdensome in Texas. According to the Census Bureau, in 2006 just a third (33.3 percent) of Texas homeowners with mortgages had to spend 30 percent or more of their monthly household incomes on mortgage payments and associated costs. The U.S. average was 36.9 percent of homeowners; the equivalent shares in California, Florida and New York were 51.8 percent, 44.9 percent and 40.9 percent, respectively.
- Renters get a better deal in Texas too. In the 2006 American Community Survey, Texas’ median monthly housing cost for renter-occupied housing was well below the US. average, at \$711 versus \$763. By contrast, California’s median cost was \$1,029; New York’s was \$875; and Florida’s was \$872.
- Despite phenomenal growth, both Austin and Dallas appeared in *Forbes* magazine’s 2007 ranking of the nation’s 10 most affordable metro-area housing markets.
- A November 2007 Coldwell Banker study concluded that Texas had three of the ten most affordable housing markets in the U.S., more than any other state.
- Lower housing costs translate to a lower cost of living for you and your family. According to the Missouri Economic Research



Your housing dollars go a lot further in Texas.

in her area. “Our group is doing more business than ever before,” she says. “Central Texas has something for almost every personality—conservative, liberal, artistic, academic, urban, rural, twenty-somethings to retirees, you name it. Historically we’ve been a more conservative growth area for real estate than many other locales, meaning that year over year we will see around 6 to 8 percent appreciation on average. We’re still seeing appreciation now. That’s not to say we’re not immune to downturns—we’ve had ours—but they tend to be localized.” Texas’ diverse geography and wide range of housing are pluses, says Lombar. “Much like California, there’s something for everyone—Hill Country living, rural areas, investment opportunities, coastal living, urban living,” she says. “The difference? In Texas, you can actually afford it! It seems pretty clear-cut to me. Texas is a great place to live.”



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and Information Center, Texas had the fourth-lowest cost of living among states in the first quarter of 2008.

- Texas is avoiding the worst effects of the nationwide mortgage crisis. A May 2008 study by Realtytrac, a nationwide property information service, found that Texas was one of just seven states—and the only one of the 10 most populous states—that saw a decrease in foreclosure activity in the year ending in April 2008. Over that time period, foreclosure filings across the nation rose by nearly 65 percent.

The Right Price

On average, Texas homes are among the nation’s most affordable.

Median Housing Value of Owner-Occupied Housing Units, 2006 Ten Most Populous States

| Rank | State | Median |
|-----------|---------------------|----------------|
| 1 | California | \$535,700 |
| 8 | New York | 303,400 |
| 17 | Florida | 230,600 |
| 21 | Illinois | 200,200 |
| | U.S. Average | 185,200 |
| 27 | Georgia | 156,800 |
| 29 | Michigan | 153,300 |
| 31 | Pennsylvania | 145,200 |
| 33 | North Carolina | 137,200 |
| 34 | Ohio | 135,200 |
| 42 | Texas | 114,000 |

Source: U.S. Census Bureau, 2006 American Community Survey.

Weathering the Storm

Texas was the only one of the 10 most populous states that saw a decrease in foreclosures in the year ending in April 2008.

Recent Foreclosure Activity Ten Most Populous States

| State | Percent Change in Foreclosure Filings April 2007 - April 2008 |
|---------------------|--|
| Florida | 146.29% |
| California | 112.04 |
| U.S. Average | 64.75 |
| Michigan | 49.35 |
| New York | 38.96 |
| Pennsylvania | 36.65 |
| Georgia | 28.50 |
| North Carolina | 15.54 |
| Ohio | 2.18 |
| Illinois | 1.02 |
| Texas | -0.16 |

Source: Realtytrac.com.