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Kiersty Lombard
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Texas Real Estate Market Has Something for Everyone

While the national real estate market has been on a scary rollercoaster ride during the past few years, Texas has escaped much of the drama — and the kinds of foreclosures seen in states such as Florida and California.

For Keller Williams Realty, the Texas real estate business is heating up in 2010. According to Kiersty Lombard, an agent and team leader with Keller Williams' Central Texas Elite Homes, in 2009 the Central Texas area saw a marginal 1 percent decrease in the median price of homes sold, as well as a 6 percent decrease in the number of transactions closed. But growth is coming back.

"In 2010, we're seeing incredible volume. In March 2010, we're up 27 percent for the number of transactions closed, compared to March 2009," Lombard says. "The median price has remained stable and likely portends good things for the area market going forward."

While Lombard attributes some of the 2010 activity to the federal tax credit, she believes Texas will continue to see activity and the median price move up in 2010 and 2011.

"If we start to see activity drop off, I imagine we'll see sellers and brokers creating their own incentives to mimic those of the \$6,500 or \$8,000 tax credit, to keep things rolling along," she says.

Buyers and sellers are rushing back into the market, and Lombard says 2010 looks to

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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. Texas real estate has largely escaped the effects of the national boom-and-bust cycle, offering good deals that are also solid investments.

- Your real estate dollars go farther in Texas. According to the Census Bureau, in 2008 Texas ranked 39th among states in its median housing value, at just \$126,800. Among the 10 most populous states, Texas had the lowest median value by far, at about a quarter of California's and 40 percent of New York's.
- Home ownership is less burdensome in Texas. According to the Census Bureau, in 2008 less than a third (31.3 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 37.6 percent of homeowners; the equivalent shares in California, Florida and New York were 53.3 percent, 49.1 percent and 41.1 percent, respectively.
- Renters get a better deal in Texas too. In 2008, Texas' median monthly housing cost for renter-occupied housing was well below the U.S. average, at \$768 versus \$824. By contrast, California's median cost was \$1,135; New York's was \$953; and Florida's was \$947.
- Despite phenomenal growth, San Antonio, Houston, Dallas and Austin all appeared in *Forbes* magazine's 2009 ranking of the nation's 10 most affordable metro-area housing markets.
- 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.

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be a banner year. “We’re seeing buyers and sellers of all price ranges who are ready to move forward – from \$100,000 to \$1 million,” she says.

Austin-based Keller Williams continues to be a powerhouse in real estate, both locally and nationally, Lombar says. “Unlike many firms who saw cutbacks and losses, we closed out 2009 with increased profit, profit share and associate growth over previous year. In fact, our total number of agents rose by 3 percent from 2009 to 2010.”

Texas’ real estate market continues to be well-positioned on many levels, Lombar says. According to Forbes, Central Texas is among the nation’s top areas for business and careers, which parlays into real estate opportunity and stability.

“I know that many who are looking to our area for relocation can’t wait to set down roots,” Lombar says. “And those who are already here think it’s one of the best places in the world to be. With a world-class university, an educated work force, growth opportunities, terrific schools, great lakes and the Hill Country, plus the Live Music Capital of the World... what’s not to love?”



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and Information Center, Texas had the eighth-lowest cost of living among states in the fourth quarter of 2009.

- Texas avoided the worst effects of the nationwide mortgage crisis. According to RealtyTrac, a nationwide property information service, in January 2010, just 4.9 Texas homes per 10,000 residents were in foreclosure proceedings, less than half of the national rate of 10.3 per 10,000. In contrast, California’s ratio was 19.4 per 10,000, while Florida’s was 25.4 per 10,000.

The Right Price

Texas homes are among the nation’s most affordable.

Median Housing Value of Owner-Occupied Housing Units, 2008 Ten Most Populous States

Rank	State	Median
2	California	\$510,200
6	New York	311,700
18	Florida	226,300
21	Illinois	208,000
	U.S. Average	192,400
28	Georgia	163,500
29	Pennsylvania	155,400
31	Michigan	152,600
32	North Carolina	145,600
33	Ohio	137,800
40	Texas	120,500

Source: U.S. Census Bureau.

Weathering the Storm

Texas’ property market has weathered the recession better than most. In January 2010, Texas’ foreclosure rate per 10,000 residents was less than half of the nation’s.

Foreclosure Activity in the Ten Most Populous States, January 2010

State	Homes in Foreclosure Per 10,000 Residents
Florida	25.4
California	19.4
Michigan	17.6
Illinois	14.0
Georgia	11.5
U.S. Average	10.3
Ohio	9.6
Texas	4.9
Pennsylvania	4.0
North Carolina	3.4
New York	2.3

Source: RealtyTrac and U.S. Census Bureau.