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## Rankings show area remains a top place for home buyers

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It's hard to open a newspaper, watch the news or read stories on the Internet and not be inundated with news of the economic downturn. With recent headlines about the nation's unemployment rate inching upward and rumblings of a possible "double-dip" recession, it's easy for many folks to get the impression that there is not much good news with respect to the economy.

Mostly, you would be right. Nationwide, our economy is struggling. However, time and time again, albeit buried in the mountains of bad economic news, Texas and Austin continue to buck national economic trends.

**Texas and the greater Austin region continue to be among the best places to buy a home. We are different, and the proof is in the countless reports by various sources.**

1. #1 Best City for the Next Decade/Top Cities for Your Future by [Kiplinger.com](#)
2. #2 Most Innovative City by [Forbes.com](#)
3. #1 spot as the top US city for job growth, according to the U.S. Bureau of Labor Statistics
4. #10 Best City to Find a Job by [Forbes.com](#)
5. #10 Best City for Young Professionals by [Forbes.com](#)
6. #1 Hottest City for US Housing Market by [Examiner.com](#)
7. #4 Among States with the Lowest Debt according to [Forbes.com](#)
8. #1 Top State for Doing Business according to [CNBC.com](#)
9. #8 Best State for Lowest Cost of Living according to [CNBC.com](#)
10. #4 Best State for Technology and Innovation by [CNBC.com](#)

Austin's stable housing market is further reflected in the fact that we have not seen much change in housing prices — down approximately 3 percent since the recession officially began in late 2007.

**For those sitting on the fence waiting for housing prices to fall, here's a little-known fact. If interest rates were to tick up just 1 percent, the price of a home would have to decline by 10 percent to make up the difference.** Home prices are already on the rise in the greater Austin region. Expected population growth coupled with the lack of new home starts that will keep up with the region's growth will likely cause prices to rise further.

So is housing a good investment in these economic times? Absolutely! Even Karl E. Case, the lesser-known of the "Case-Shiller" pair, wrote in the New York Times this month that buying a home is a great investment. " ... [For] people with a more realistic version of the American dream, buying a house now can make a lot of sense," Case wrote. "Think of it as an investment. The return or yield on that investment comes in two forms. First, it provides what is called 'net imputed rent from owner-occupied housing.' You

live in the house and so it provides you with a real flow of valuable services. This part of the yield is counted as part of national income by the Commerce Department. It is the equivalent of about a 6 percent return on your investment after maintenance and repair, and it is constant over time in real terms. Consider it this way: when Enron went belly up, shareholders ended up with nothing, but when the housing market drops, homeowners still have a house. And this benefit is tax-free."

Case went on to write, "The second part of the yield on investment in a house is the capital gain you receive if it appreciates and you sell the house. Gains are excluded from taxation if the property is a primary residence and the gain is less than \$250,000 for a single filer or \$500,000 for a married couple filing jointly."

**In summary, home buying is still a great investment. Housing prices in greater Austin are on the rise, interest rates are at historic lows with nowhere to fall and the region is adding jobs at a rate faster than a majority of cities across the nation.**

**The time for home buying is now.**

To learn more about how to buy a new home, visit the Home Builder's Association of Greater Austin's website at [austinhomebuilders.com](http://austinhomebuilders.com); then click on homeowner/home buyer information.

**Courtesy of JB Goodwin**