

Outlook for Austin brightening in 2010, local experts say

By [Shonda Novak](#)

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This year could mark the start of a rebound for Austin's housing market and overall economy.

That's the consensus from speakers at a 2010 housing and economic forecast event Wednesday sponsored by the Austin Board of Realtors and the Home Builders Association of Greater Austin. The event drew about 500 people in the real estate and business community, as well as local and state officials, to the AT&T Executive Education and Conference Center at the University of Texas.

Housing:

Although Austin hasn't been immune to the recession, its economic and housing fundamentals are the strongest among the more than 40 housing markets across the country tracked by MetroStudy, said Eldon Rude, the Austin director for the housing research firm. Because of the stability in the local housing market, he said, "when the U.S. economy improves, Austin will be one of the first markets that shows stronger growth in its housing market."

Although Central Texas single-family home starts are off 60 percent from their peak in the third quarter of 2006, and were down 19 percent last year from 2008 levels, the annual rate was fairly stable during the last three quarters of 2009, Rude said. In all, builders started 6,490 homes in 2009, the lowest level since 1995.

Rude said an increase in home starts — to as many as 7,000 — is possible this year, due to a relatively low supply of new homes as well as an expected rebound in the economy late this year, Rude and others said.

As the economy picks up, so will consumer confidence, making people more willing to spend on big-ticket items such as homes, Rude said.

Jobs:

Job growth "isn't going to come roaring back," said Jon Hockenyo, president of TXP Inc., an Austin consulting firm specializing in economic analysis and public policy.

He predicted the market will be "largely flat for 2010," becoming "modestly positive (and building) in 2011."

However, the worst is behind us, Hockenyos said.

"I think we really did hit the bottom, nationally and in Austin, probably in the summer of 2009," he said.

Locally, he said, it will take awhile for "real growth" to begin again, but bottom line: "Things are getting worse at a slower rate."

Economic development:

The region's future is in renewable energy, the environment and the economy, Pike Powers told the group.

Powers, a lawyer, has played a key role in recruiting major employers, tech and otherwise, to Central Texas for 30 years.

"The future will be greener," Powers said. Austin "is a place where green building has grabbed hold and shows a lot of progress."

He said the region has a "rich history and tradition" of collaboration in economic development, and he said he's confident that will continue as Central Texas competes for new projects, including solar, wind and other green- and clean-energy-related jobs.

"I'm not tired," he said. "Let's score again."

Courtesy of JB Goodwin