

The article excerpt below was taken from *Builder* magazine, February 17, 2009. Now a little over a year later, those housing market areas recognized as “the healthiest” are hurting—but not nearly as bad as those areas that did not have a solid foundation under them. First, let’s look at what *Builder* said about healthy markets.

The Healthiest Housing Markets for 2009

Builder magazine, in conjunction with Hanley Wood Market Intelligence, debuts its metric for determining markets with the best and least potential.

By: Boyce Thompson

With most economists and builders acknowledging a national market decline in 2009, this may not seem like the best time to be selecting the "healthiest" markets in the country. Virtually every market was down in 2008 and 2009, but a close look at the numbers reveals that some markets have way outperformed others during the last four years and are likely to continue to do so this year.

When the housing market stages its official recovery, the markets listed on the following pages are likely to lead the parade

The healthiest markets have many things in common. Most of them are great places to live, either close to the ocean, mountains, or major universities. Most of them didn't have a huge run-up in prices during the boom and aren't experiencing rampant deflation during the bust.

To compile these lists, we analyzed the top 75 housing markets in the country. We ranked them based on population trends and job growth, perennial drivers of housing demand. We also examined what's happened with home prices; many of the healthiest markets have managed to hold the line on home values. And finally, we considered the rate of building permits, which may be the single best ongoing indicator of builder confidence in a market. We combined all these metrics to produce a score for each market.

The top 15 “healthiest housing markets” (healthiest at #1):

1. Houston, TX
2. Austin, TX
3. Fort Worth, TX
4. San Antonio, TX
5. Dallas, TX
6. Raleigh, NC
7. Seattle, WA
8. Indianapolis, IN
9. Fayetteville, AR
10. Washington, D.C.
11. Nashville, TN
12. Denver, CO
13. Charlotte, NC
14. Wilmington, NC
15. Myrtle Beach, SC



Did you notice that the top five “healthiest housing markets” were in Texas? Why is that? The *Builder* article excerpt above noted several factors that helped determine market health. In addition, we might consider government regulation, taxation (business and personal), state and local attitude toward free enterprise, and general sense of personal and local community responsibility.

The terms “red state” and “blue state” have been commonly used for a decade to provide a color picture of differentiating factors. While often used in political language (Republicans/Democrats, conservative/liberal), the terms have also taken on broader sociological meanings. Interestingly, of the top 15 “healthiest housing markets,” twelve of them are located in states generally recognized as “red,” one is mixed and only two are “blue.” So it’s possible that state and local government policy and predominant population “worldview” may be critical factors in determining the economic health of the housing industry in an area.

A key statement from the *Builder* article is, “When the housing market stages its official recovery, the markets listed...are likely to lead the parade.” So while it is painful in East Texas to feel the effects of the general economic recession/slowdown, it is encouraging to realize that our Texas area overall is well-grounded and poised for healthy growth during the rebound.

So whether we’re talking about housing or rural land, Texas (and East Texas) has a solid foundation to build upon. Sellers will still get a fair price for their property and buyers can look forward to good future growth potential.

By Farrell & Boswell Realty, L.C.