



Texas Poised to Outpace Nation (Again)

By Nancy McQuiston, Managing Editor, Real Estate Center at Texas A&M University
Jan. 4, 2012/Release No. 11

COLLEGE STATION, Tex. (Real Estate Center) – Texas' economic outlook for 2012 is positive. Job growth is occurring in several sectors, and a low cost of living is enticing businesses to move to the Lone Star State.

It will be tougher going for the nation, however, because of several factors. The housing market needs to clear a high number of foreclosures. Consumers need to pay off their debt. The banking system needs to write off bad debt. Small businesses need to start hiring again.

Writing for the January issue of *Tierra Grande* magazine, Real Estate Center Chief Economist Dr. Mark Dotzour says, "Fortunately, Texas is poised to outperform the U.S. averages. Home sales volume in Texas should show modest improvement over 2011, and prices should be stable throughout 2012." Dotzour's economic outlook is titled "Texas Sails On: Nation Battles Headwinds."

Other articles detailing findings from the nation's largest publicly funded real estate research organization are in the issue scheduled for mailing in late January.

- "Beyond a Reasonable Drought" by noted agricultural expert Dr. Joe Outlaw and Center Research Economist Dr. Charles Gilliland. Farmers, ranchers and service businesses that support them are suffering negative effects of the drought. To make matters worse, federal agricultural programs are on the chopping block to reduce the deficit.
- "The Great Recession: Why Intensity and Duration Varied" by Center Research Economist Dr. Ali Anari. Why did some Texas metros fare better in the Great Recession? Results from the Center's business cycle research program pinpoint several reasons. These included shares of employment in the government sector, education and health services industry, mining and construction industry, and the metro's level of educational attainment.
- "Dialing Down Debt: Road to Recovery Begins at Home" by Center Research Analyst Gerald Klassen. It will hurt, but American households will have to liquidate their assets and reduce debt if they want the economy to recover. This means selling luxury items including vacation homes, boats and RVs, as well as selling investments, declaring bankruptcy or suffering through foreclosure.

- “For the Record: When to Toss Old Tax Records” by Center Research Fellow Dr. Jerrold Stern. At a minimum, tax records should be kept three years. However, a period of seven or more years is recommended. Tax and nontax factors play a role in the decision.
- “Vested Rights: Project Protection for Developers” by Houston attorney Reid C. Wilson. Vested rights freeze land use regulations affecting property classification, building size, lot size-dimension-coverage and certain other matters once the owner or developer files a permit application for that project.
- “The Trouble with Troubled Assets” by Center Research Economist Dr. Harold Hunt. The volume of distressed property sales was expected to be much higher by this time. So far, everyone is still waiting. However, according to commercial real estate insiders, distressed sales are on the way up.
- “Terminated: Transfer Fees Outlawed” by Center legal expert Judon Fambrough. Transfer fees, money paid for transferring interest in real property, were implemented in 2007 legislation. Four years later, that law was repealed, prohibiting any future transfer fees and terminating existing fees that do not comply with the new legal requirements.

Tierra Grande is a quarterly magazine published by the Real Estate Center at Texas A&M University. Texas real estate licensees pay for it through their annual state fee. [Subscriptions](#) to nonlicensees are \$20 for one year or \$13 each for two or more years.

Note to Editors

Additional research information:

Dr. Mark Dotzour, 979-862-6292 (chief economist)

Dr. Charles Gilliland, 979-845-2080 (rural land)

Dr. Harold Hunt, 979-847-9021 (commercial)

Dr. James Gaines, 979-845-2079 (residential)

Judon Fambrough, 979-845-2007 (legal issues)

For information on the Real Estate Center, contact Senior Editor David S. Jones at 979-845-2039 (voice), 979-845-0460 (fax) or d-jones@tamu.edu. Or contact Associate Editor Bryan Pope, 979-845-2088 (office) or b-pope@tamu.edu.

More than 25,000 pages of data are available at the [Center's web site](#). News is also available in our electronic newsletter, our twice-weekly e-newsletter [RECON](#) (with [RSS feed](#)), our weekly [Real Estate Red Zone podcast](#), on Facebook, daily [NewsTalk Texas](#) (with [RSS feed](#)) and on [Twitter](#). To request a free press subscription to our quarterly flagship periodical [Tierra Grande](#) magazine, contact David Jones at the address above.



To be added to our news release mailing list, go to <http://recenter.tamu.edu/news/>.