



August 2011

**Behind the Headlines: Housing Facts or Figures?**

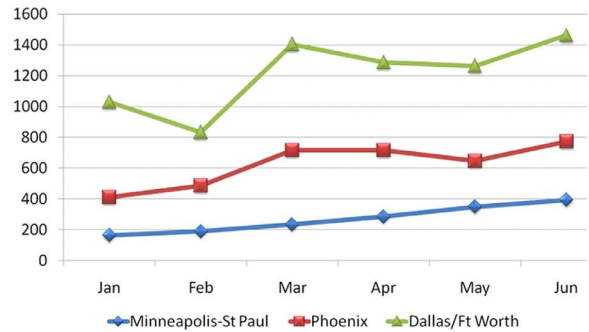
We tend to believe the headlines we read. Recent stock market numbers are erratic and have some wondering if a double-dip recession lies ahead. There is a lot of hard data out there that may help us to feel more optimistic; like figures that represent jobs, retail sales, and new home permits. The numbers at a glance may not look great, but they don't always tell the whole story. They are a snapshot in time and represent only part of what is really going on.

Though unemployment figures are not where we would like them to be, the first half of 2011 shows that employment is up compared to mid-2009. Jobs drive our economy and we are slowly adding jobs.

The headlines in the Fort Worth Star-Telegram dated July 21, 2011, read "New-home sales fell 1 percent in June." The article goes on to say that the Commerce Department's recent statistics for housing shows that the sales of new homes fell to an annual rate of 312,000, which is less than half the 700,000 that economists say is typical in healthy markets. In 2005, 49,573 single family housing permits were recorded in the Dallas/Fort Worth MSA. In comparison, 14,421 were recorded in 2010. If we rely on those figures alone, it is easy to develop a negative outlook.

Looking at the Dallas/Fort Worth housing figures from a different perspective, we might see things more positively. In 2005, an average of 4,100 permits was recorded per month. Those were the days! The first two months of 2011 got off to a slow start and the average number of permits recorded was slightly more than 900. However, the next four months averaged 1,350 permits. If we compare today's numbers to 2005, our 2011 figures are anemic. If we look at this year alone, the trend up is clear.

Little by little and across this great country of ours, trends show that the housing market is slowly returning. We see it in every state that



2011 Housing Permits to Date

our firm has an office. In the Minneapolis/St. Paul MSA alone, we have seen the average number of permits go from 178 in the first two months of this year to an average of 375 over the past two months. The Phoenix MSA showed an average of 450 permits issued in the first two months of 2011, followed by an average of almost 700 for the past four months.

All said, these are not statistics that will cause anyone to break out the champagne. The reality is, compared to the boom years of 2005 -2006, the numbers are weak. We have a long way to go to achieve those types of numbers again. But rather than focus on headlines, like those in the Star-Telegram that focus on the one-percent drop in home sales nationwide, I would suggest we concentrate on the positive trends taking hold in many cities across the U.S. It may be slow, but appears steady, and portrays a new housing market which is getting stronger as we enter the second half of 2011.

Collin Powell, former Secretary of State and decorated general in the U.S. Army, is quoted as saying "Optimism is a force multiplier." The snapshot in time can easily have us feeling dread, but looking closer at the trends should help us feel more optimistic as we move forward in the years ahead.

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