



Strong Economic Fundamentals Indicate a Speedy Recovery for Fort Worth, Texas

By Kenneth Jones, President
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We've been saying it a lot, but we can't say it enough: when compared to the rest of the nation, Texas has gained quite a reputation for superior economic performance. Perhaps you are wondering whether we've been avoiding the effects of the recession because we're a stronger, more resistant market, or if maybe we're just slower in absorbing the aftershock. We believe we're stronger.

The truth is that in Texas—and in Fort Worth—economic fundamentals are strong and indicative of a fast recovery once the overall economy rebounds.

We've been fortunate. We've avoided many of the negative effects of the recession so far, but not all. People, nevertheless, want to know if the downturn will eventually hit us as hard as other places and if they can expect to see the effect receding in the near future.

According to the Federal Reserve Bank of Dallas, our long-term prospects remain healthy, primarily due to continued job growth, a fast-growing labor force, and a low cost of living and doing business. Part of that low cost of living is, historically, that Texas families have had more real estate buying power than families in other states. Fort Worth's affordable housing is one of the reasons that *Builder Magazine* cited Texas' five largest cities as its top five "Healthiest Housing Markets for 2009."

The ability of our housing market to stay relatively resistant and to withstand the recession is due in part to legislation passed in 1997. In 1997, we enacted one of the strictest home equity lending laws in the country, stipulating that consumers could only borrow up to 80 percent of the value of their home through a home equity loan. The law was, at the time, sharply criticized as old-fashioned and outdated.

Here in Fort Worth, we are glad that we didn't follow suit with other states by allowing homeowners to borrow as much as 125 percent of their home's value in a home equity loan. As it turns out, many of those loans contributed to the national mortgage meltdown, a situation we have largely dodged. We want Fort Worth residents to be homeowners for life.

In fact, we've launched a program called "Thank Goodness It's Fort Worth" to share with local residents all the facts and truths about the realities of our strong, local housing market. TGIFW is dedicated to providing honest and open information to homebuyers and sellers so that you, too, can join us in feeling very grateful to be living in Fort Worth.

For more information, visit www.gfwar.org or visit www.TexasRealEstate.com.

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