



January 2012 – Advanced End of 2011 Austin Real Estate Market Report

A comprehensive report on the
Austin and Central Texas real estate market.



Volume IV, Issue I



Current Austin Market: Lowest Inventory in 6 years

Austin real estate markets ended 2011 stronger than a year before. Market strength is focused in some, but not all price bands and some areas of town.

Texas has become the third state to gain back all the jobs lost during the recession. (North Dakota and Alaska were the first two.) Texas has recovered 101% of the jobs lost during the recession compared with just 32 percent for the US as a whole. (IHS Global Insight Inc. 2011).

Austin leads most Texas cities in several job growth categories. The result of the Austin job growth, plus inward migration, fewer foreclosures than most other areas of the country and near capacity rental occupancy has put pressure on the Austin real estate market in several key areas:

Over the last year home values have not declined equal to the rest of the country and in some Austin areas and price bands, home values have remained steady. Decreasing inventory combined with the greater difficulty of securing loans and the need for more down payment and higher credit score for homes over \$400,000 have also put pressure on the market. Austin rentals are now at all time Austin highs making renting in many cases more costly than buying moving people into the buying market.

A sure sign of improving strength, there is now throughout the Austin area new major home, condo and apartment construction. Demand for homes under \$400,000, that represent 76% of homes sold in 2011, have remained very strong. Yearly total sales, at this price range only, have remained at the same levels as 2010. However inventories, number of homes on the market in this price range, have declined. Consistent demand and lower inventories usually stabilize or slightly increase prices.

Throughout the year this price band has been defined as a "Normal Sellers Market" (See our Price Band, Zip Code and Area charts in this report for specific markets.)

Between \$400,000 and \$1 million, home prices have stabilized throughout the year with slight value depreciation. This overall price band is defined as a "Balanced Market".

Above \$1 million in value, home prices have declined significantly as demand has decreased. Currently there are 345 homes for sale over 1 million and last month only 17 of them sold. This is on average an "Extreme Buyers Market", especially the further the home is from downtown.

Expect the Austin market in 2012 to continue to strengthen. However homes with severe flaws or not priced at market, are staying on the market for a long time or not selling and are being moved to the rental market.

Buying and selling in this market requires a deep understanding of the history and pressures in each area of town and price range.

We hope this West Austin Properties Advance Market Report with detailed information by price range, zip codes and area help you make the best decisions for you and your family. It is our pleasure to deliver it to you so together we can spot the trends.

Please, call us if we can provide you any additional information.

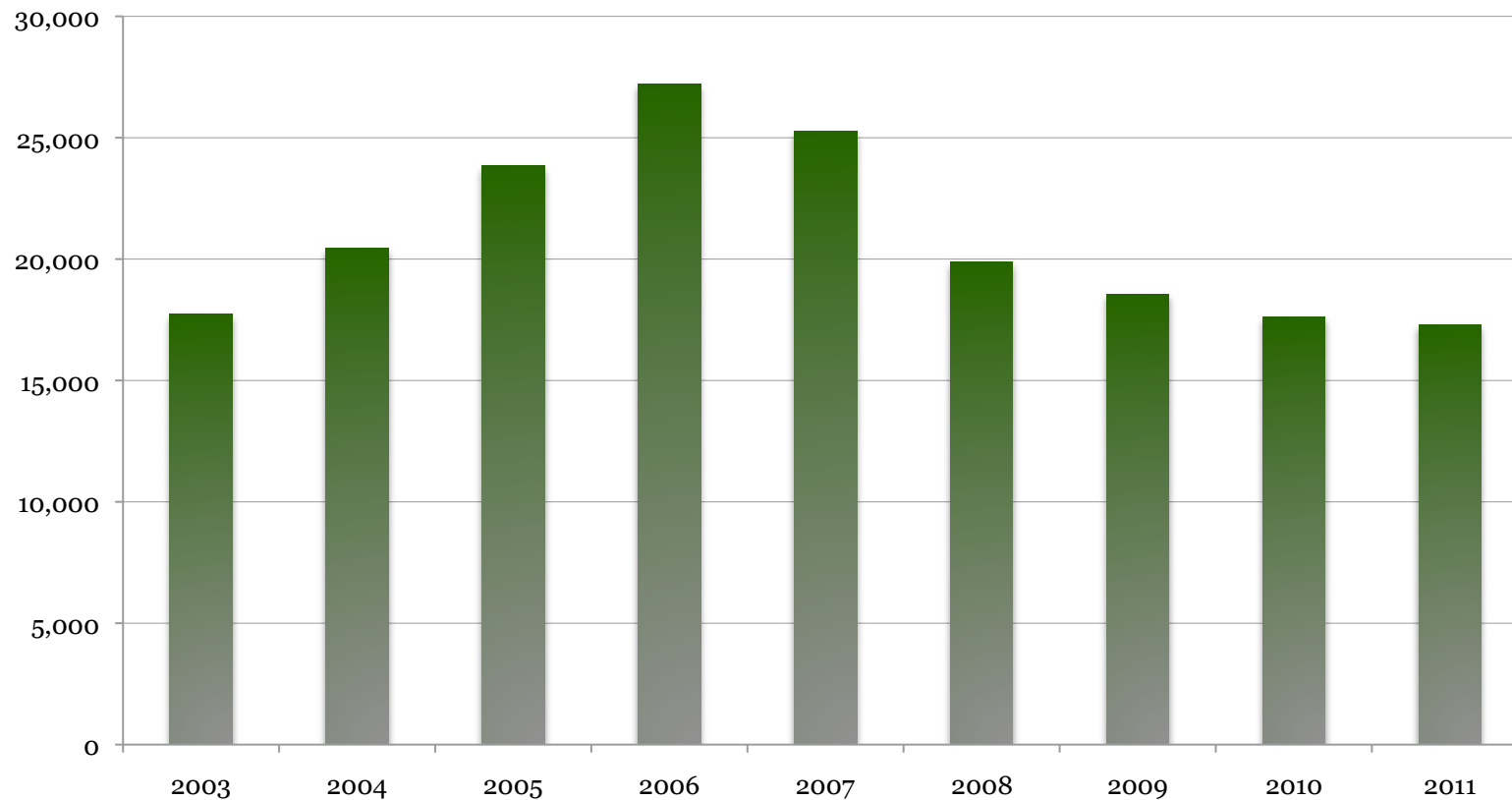
Laura Duggan, Gail Boston and Katy Duggan

Year to Date Sales – January/December 2011



1

Year-to-date sales in Austin are down 2% from last year. However, last year was impacted by the first time homebuyer tax incentive. Sales for the year are 7% lower than two years ago.

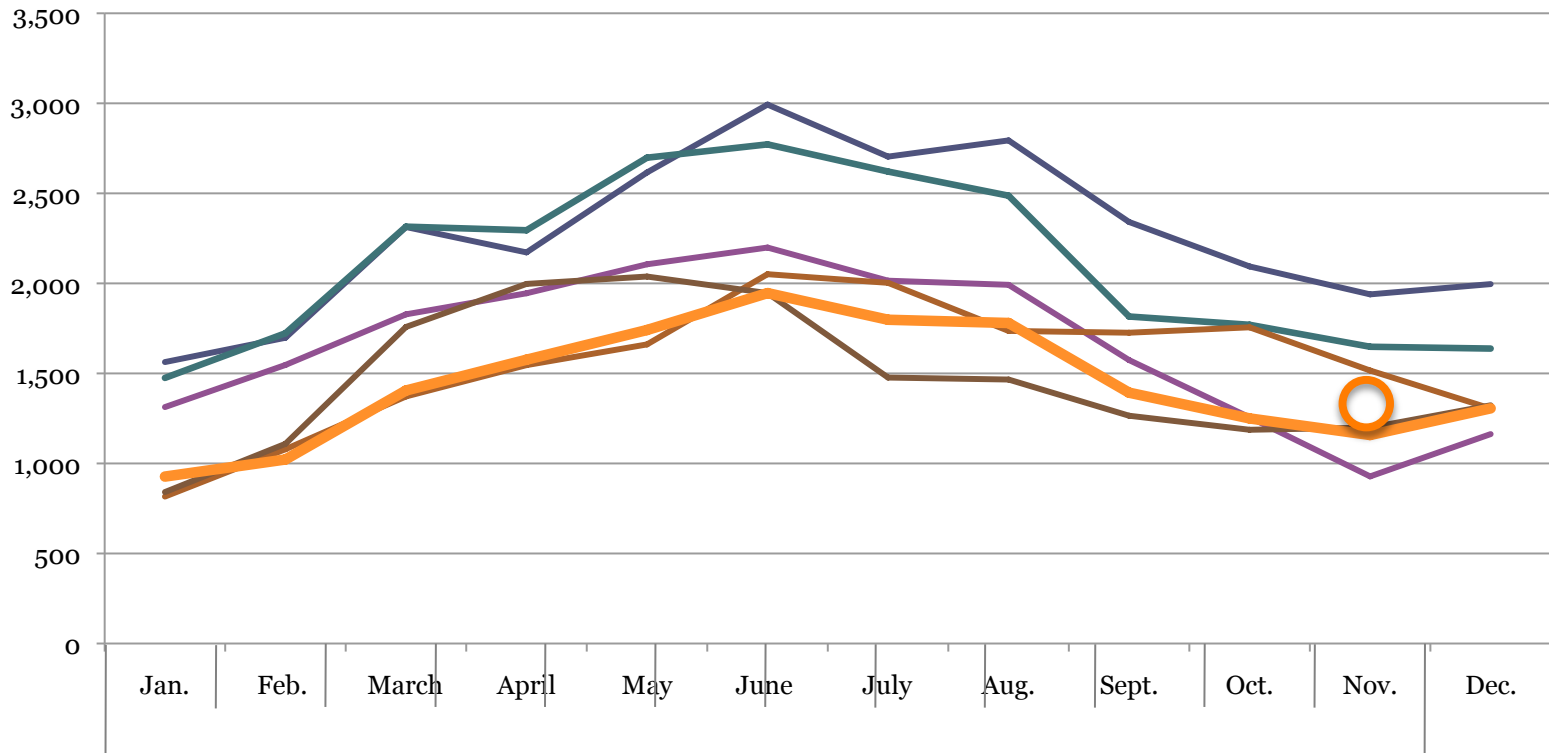


Homes Sold per Month



2

The chart below follows the trends of number of sold homes during any given month. Last month there were 1,306 homes sold in Austin, Texas. The same number of homes sold in December 2011 that sold in 2010, however, sales were at their lowest levels in the last 3 years.

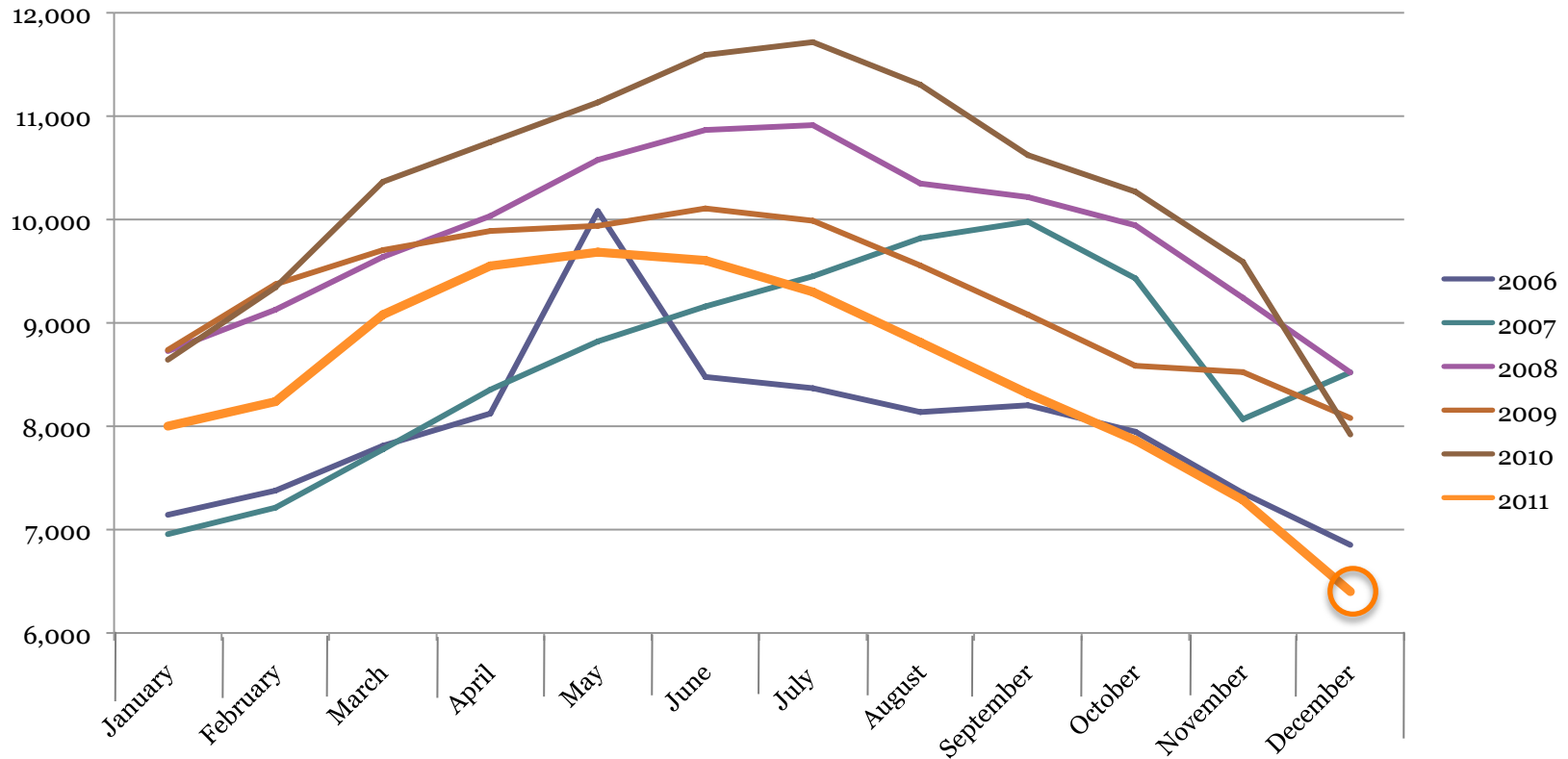


Homes For Sale



3

The chart below follows the trends of number of homes for sale during any given month. Last month there were **6,400** homes for sale in Austin, Texas. There are fewer homes for sale at this time than in the last 5 years. There are **25% fewer** homes for sale than last year at this time.

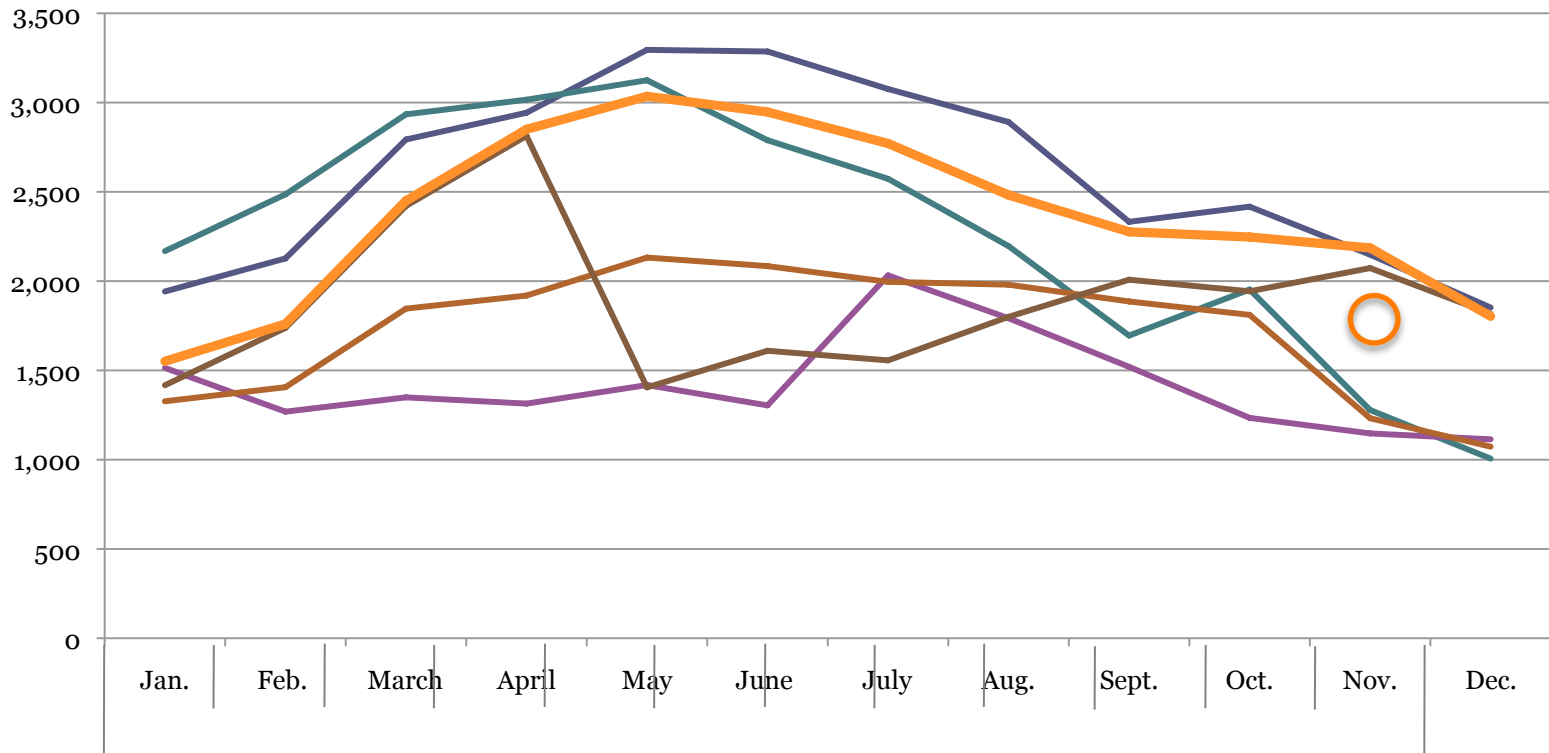


Pending Sales per Month



4

The chart below tracks the number of Pending Sales in the market. These are homes that are Under Contract that have yet to close. This month there are **1,803** homes Pending in Austin, Texas. This is higher than 2010, 2009, 2008, and 2007. **It is a sign that demand is strong.**



Home Sales by Price Band- December 2011



5

Austin has seen a surge of sales in the lower price ranges in July and August. That, combined with a lower number of homes for sale has created an overall **Normal Seller's Market**.

The under \$200K price range is a **Normal Seller's Market**, while the **\$400K to \$1M** price range is a **Balanced and Normal Market**. The over \$1M price range is an **Extreme Buyer's Market**.

Price Range	# of Solds	Active Listings	Months of Inventory	Market
\$0-\$100k	150	458	3.05	Normal Seller's Market
\$100-\$200k	554	2248	4.06	Normal Seller's Market
\$200-\$300k	291	1388	4.77	Normal Seller's Market
\$300-\$400k	134	773	5.77	Normal Seller's Market
\$400k-\$500k	69	481	6.97	Balanced Market
\$500-\$600k	33	298	9.03	Normal Buyer's Market
\$600-\$700k	29	141	4.86	Normal Seller's Market
\$700-\$800k	13	113	8.69	Balanced Market
\$800-\$900k	9	85	9.44	Normal Buyer's Market
\$900-\$1M	7	63	9.00	Normal Buyer's Market
\$1-\$2M	15	220	14.67	Extreme Buyer's Market
\$2-\$3M	1	53	53.00	Extreme Buyer's Market
\$3M<	0	72	72.00	Extreme Buyer's Market
Overall MKT	1301	8317	6.39	Normal Seller's Market
<hr/>				
12+ Months of Inventory	Extreme Buyer's Market		High Depreciation	
9-12 Months of Inventory	Normal Buyer's Market		Moderate Depreciation	
6-9 Months of Inventory	Balanced Market		Flat/Slight Depreciation	
3-6 Months of Inventory	Normal Seller's Market		Moderate Appreciation	
0-3 Months of Inventory	Extreme Seller's Market		High Appreciation	

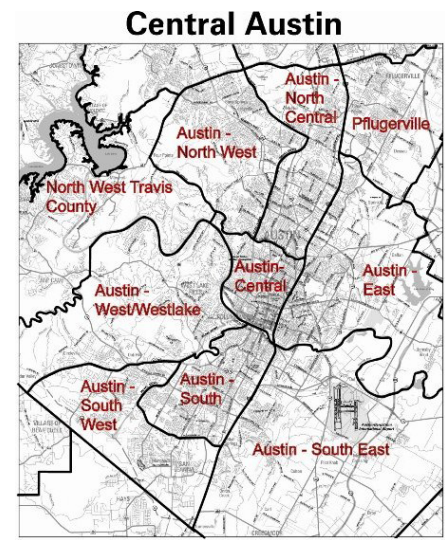
Home Sales by Region- December 2011



6

The chart below provides detail of how well each region of Austin and the surrounding cities are selling. The **South, Southwest, and Northwest** regions continue to outperform the rest of the market. Eleven out of 14 markets have less than 6 months' inventory.

Region	# of Solds	Active Listings	Months of Inventory	Median Selling Price	Avg DOM
Central Austin	72	352	4.89	\$364,223	76
East Austin	69	309	4.48	\$135,000	70
North Central Austin	61	191	3.13	\$195,000	71
Northwest Austin	77	198	2.57	\$283,000	57
South Austin	85	215	2.53	\$204,500	89
Southeast Austin	42	128	3.05	\$91,000	59
Southwest Austin	88	172	1.95	\$264,400	67
West Austin/Westlake	50	195	3.90	\$490,000	76
Northwest Travis County	115	764	6.64	\$381,000	115
Cedar Park/Leander	126	535	4.25	\$173,500	75
Georgetown	85	526	6.19	\$202,210	103
Pflugerville	77	273	3.55	\$142,500	87
Round Rock	135	536	3.97	\$185,000	66
Dripping Springs/Wimberly	28	350	12.50	\$286,000	122
12+ Months of Inventory	Extreme Buyer's Market		High Depreciation		
9-12 Months of Inventory	Normal Buyer's Market		Moderate Depreciation		
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Home Sales by Zip Code- December 2011



The chart below provides detail of how well each Zip Code of Austin is selling.

7

There are quite a few zip codes with surging sales numbers. The Northwest and Southwest Austin zip codes are the strongest areas. Sixteen zip codes out of 17 have less than 6 months' of inventory. Six zip codes out of 17 has less than 3 months' inventory.

Zip Code	# of Solds	Active Listings	Months of Inventory	Median Sales price	Avg DOM
78701	10	59	5.90	\$477,500	99
78703	15	85	5.67	\$557,633	67
78704	28	71	2.54	\$360,000	99
78705	2	4	2.00	\$578,750	34
78717	21	56	2.67	\$210,000	74
78727	13	51	3.92	\$206,000	59
78730	13	66	5.08	\$760,000	218
78731	15	71	4.73	\$412,000	59
78732	27	100	3.70	\$329,000	77
78733	10	43	4.30	\$527,000	68
78734	23	170	7.39	\$337,500	103
78735	15	54	3.60	\$382,000	58
78739	26	44	1.69	\$324,950	61
78746	20	79	3.95	\$687,500	86
78749	41	39	0.95	\$230,000	65
78750	14	54	3.86	\$253,700	57
78759	26	52	2.00	\$339,950	57
12+ Months of Inventory	Extreme Buyer's Market		High Depreciation		
9-12 Months of Inventory	Normal Buyer's Market		Moderate Depreciation		
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Central Austin
78701
78703
78704
78705
78731

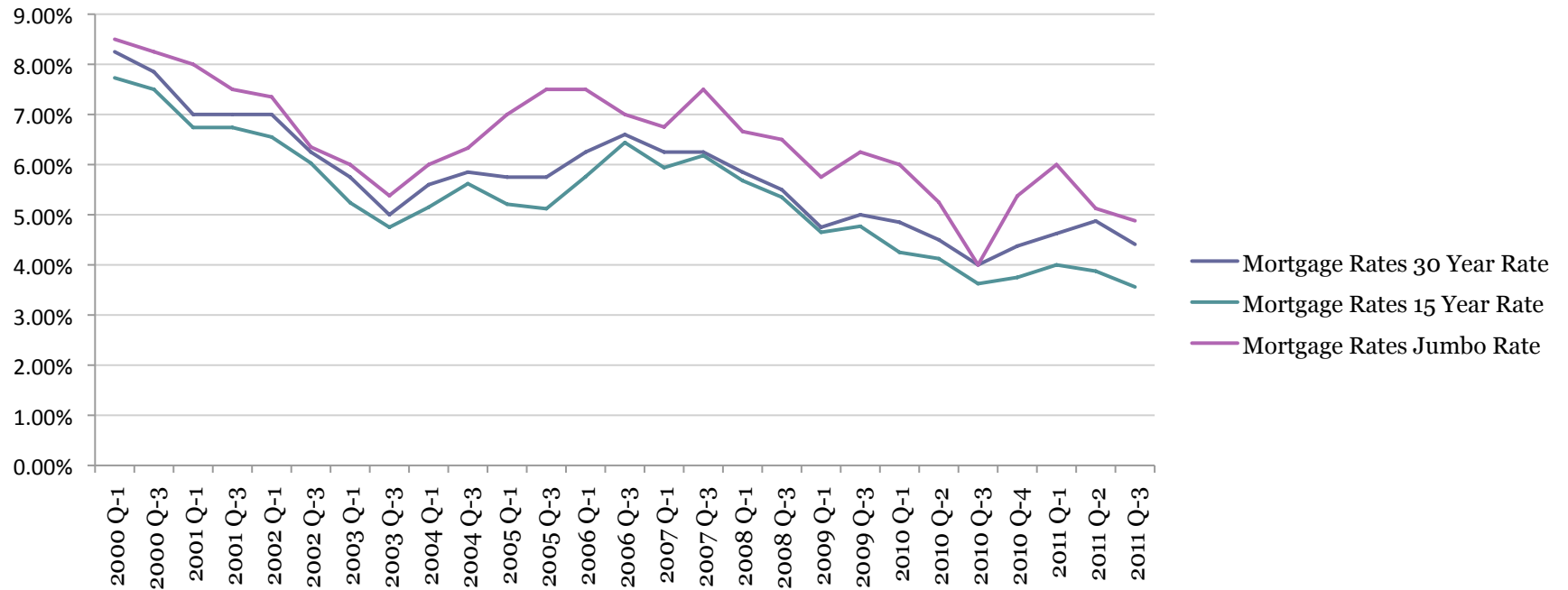
Northwest Travis Co.
78730
78732
78734

Southwest Austin
78739
78749

Northwest Austin
78717
78727
78750
78759

West Austin/Westlake
78733
78735

Mortgage Rates - 11 Year Summary



The above chart tracks mortgage rates for the past 11 years. As you can see, mortgage rates are at close to their lowest levels.

CONFORMING

30 Yr Fixed 4.00%

15 Yr Fixed 3.38%

JUMBO (over \$417K loan amount)

30 Yr Fixed 4.75%

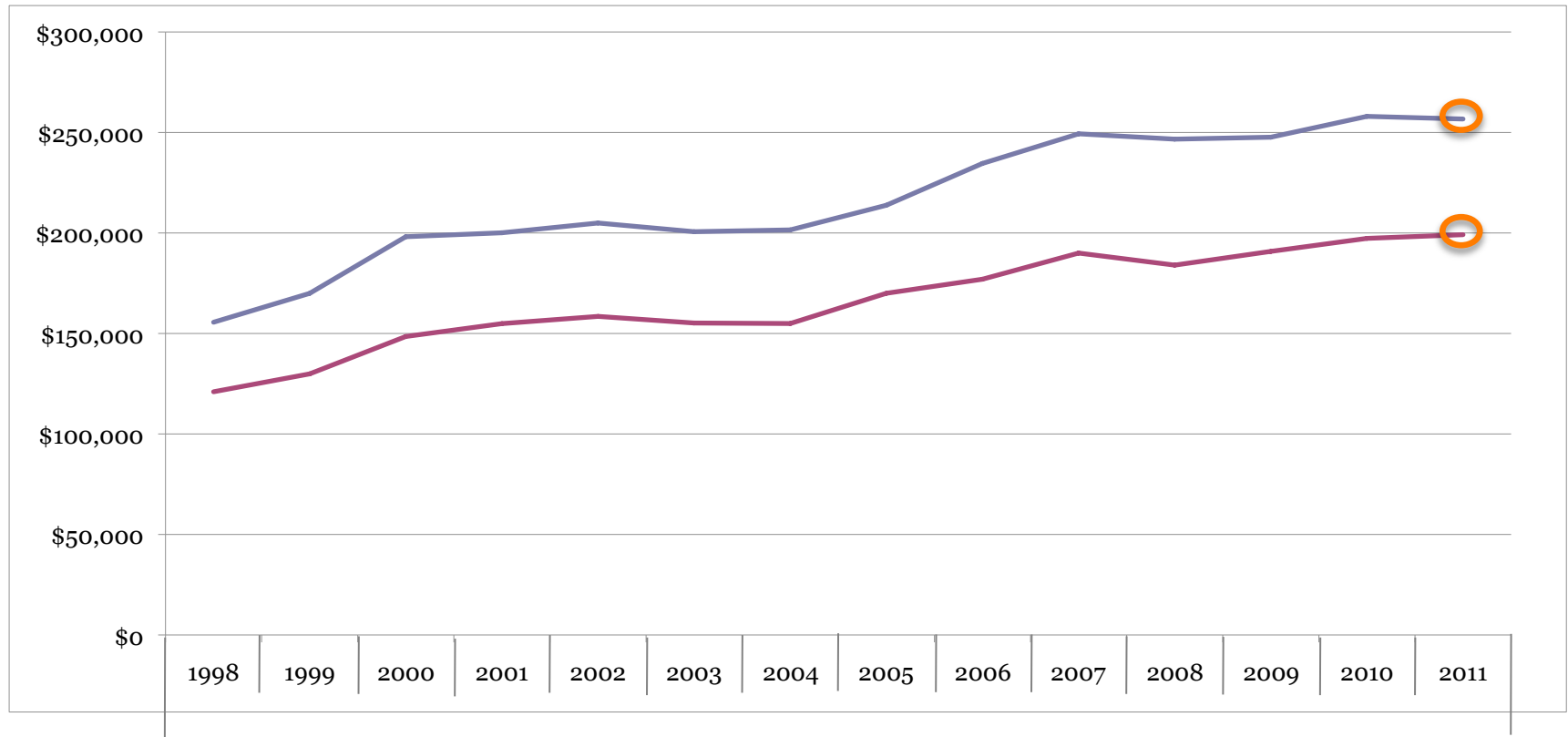
30 Yr FHH 3.75

Average and Median Sold 14 Year Summary



8

The chart above follows the trend of average and median sales price per year. Last month the average sales price was **\$252,992**. The median sold price was **\$189,300** last month. The average sales price in December is **down 1%** and the median sales price is **down 2.6%** from one year ago.

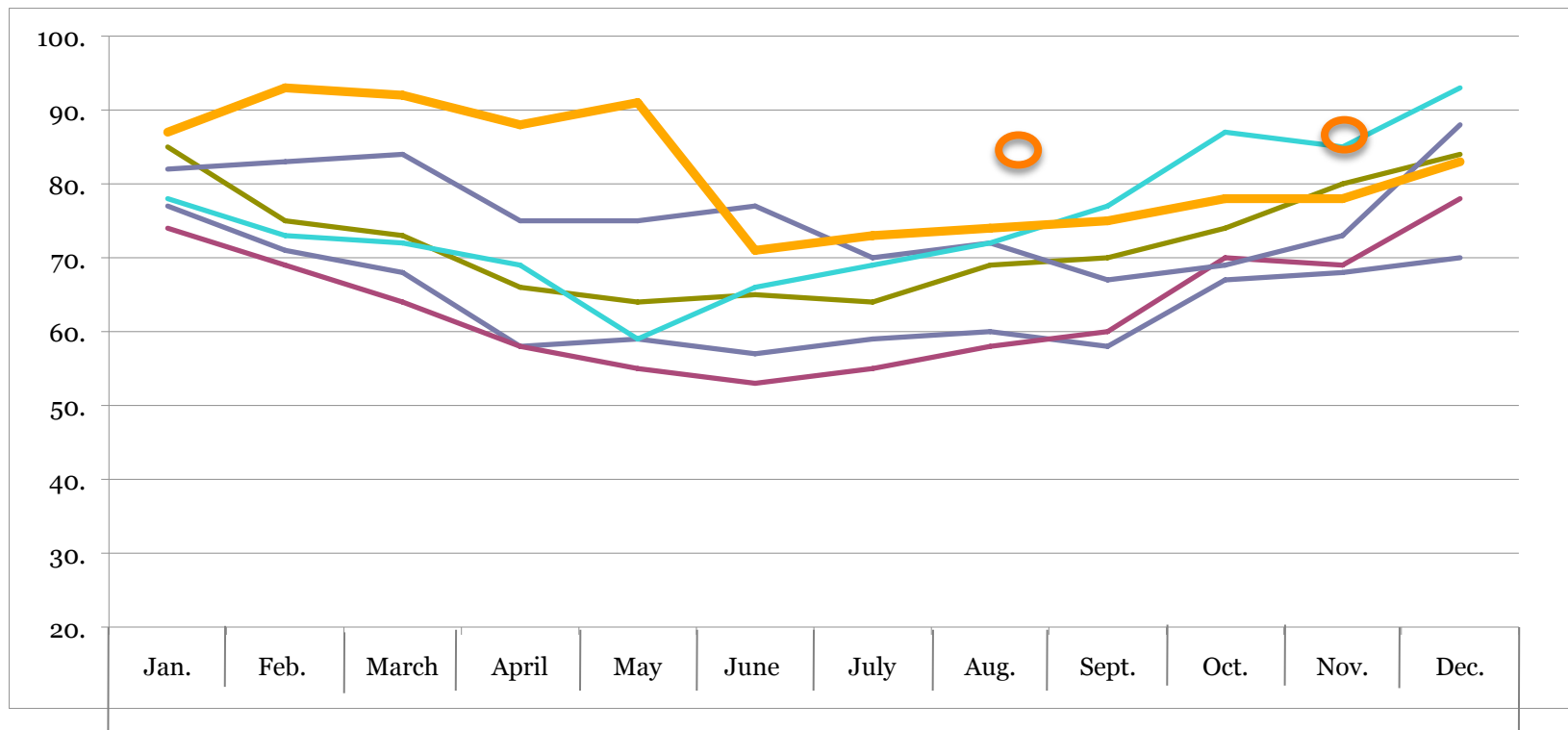


Average Days on Market 2003-2011



9

Homes in July, August and September sold faster than anytime in the last 12 months, usually an indication that buyers are active in the market and sellers have become more realistic about the value of their homes. Of the homes that sold last month, the average amount of days they had been on the market was 83 days. This is 11% fewer days than a year ago.





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For five decades and three generations, West Austin Properties has been passionately committed to the core values that guide it.

- Highest integrity in every relationship.
- Unsurpassed knowledge of Austin and the ever changing real estate market.
- Educating and empowering our clients so that they can make decisions that best meet their unique needs.
- Focus on the people and not the real estate; the quality of our service not the volume of our business.
- Build on the strengths and talents of our team's generational blend.
- Improving our community through service and mentorship.