



# March 2012 – Advanced Austin Real Estate Market Report

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

Volume IV, Issue III





## Current Austin Market: Lowest Inventory in 7 years

- Lowest number of homes for sale in 7 years.
- Rentals scarce with only 70 rentals listed in MLS.
- Overall the total months of inventory has dropped 11% in one month to 6.14. As inventories drop below 6 months, there is usually pressure to raise homes prices. In over 11 area zip codes, inventories are below 6 months. Smallest inventories are in the southwest and northwest.
- Compared to the prior month, there is a strong increase in homes selling in the south, southwest, Westlake/Austin and northwest.
- Austin now the number 2 market in the US for creating Tech startup jobs.
- Austin is one of 12 metro markets out of 100 that showed positive growth over the last decade. US Bureau of Labor Statistics.

In the near future Austin will continue to grow and expand. A January 2012 report from the Milken report stated:

"For the five-year period ending in 2010, Austin had the third-fastest job growth in the nation. It is the largest metro to exceed its peak level of employment prior to the recession. Given its concentration in chips and computers, both volatile industries, the region's economic stability is remarkable. The University of Texas, Austin, and the state capital have helped insulate Austin from the national economic contractions.

"Retail and housing markets are recovering, thanks to job and wage gains at these tech employers. Due to an influx of new residents, housing prices barely slipped during the recession. Austin has one of the most educated populations in the country; over 37 percent of adults have at least a bachelor's degree."

The Milken index ranks 379 metropolitan areas, grouped into large (population of more than 200,000) and small (population of less than 200,000) metros. Austin ranked 4th of the largest metro areas.

### Significantly different Austin markets:

The strongest market in Austin is the Price Band below \$300K which represents 61% all of listings. Throughout the last year and today, 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 \$300,000 and \$600K, home prices have stabilized with slight value depreciation. This overall price band is defined as a "Balanced Market." Over the last 6 months we've seen the lower Price Bands move from a "Normal Sellers Market" to a "Balanced Market."

Above \$600K it is a completely different story. Above \$600K the Austin market has moved to an "Extreme Buyer's Market" with 14 to 86 months of inventory! 17% of the homes for sale are listed above \$600K. Last month only 53 homes sold above \$600K. Six months ago the "Extreme Buyers Market" was limited to homes over \$1M.

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

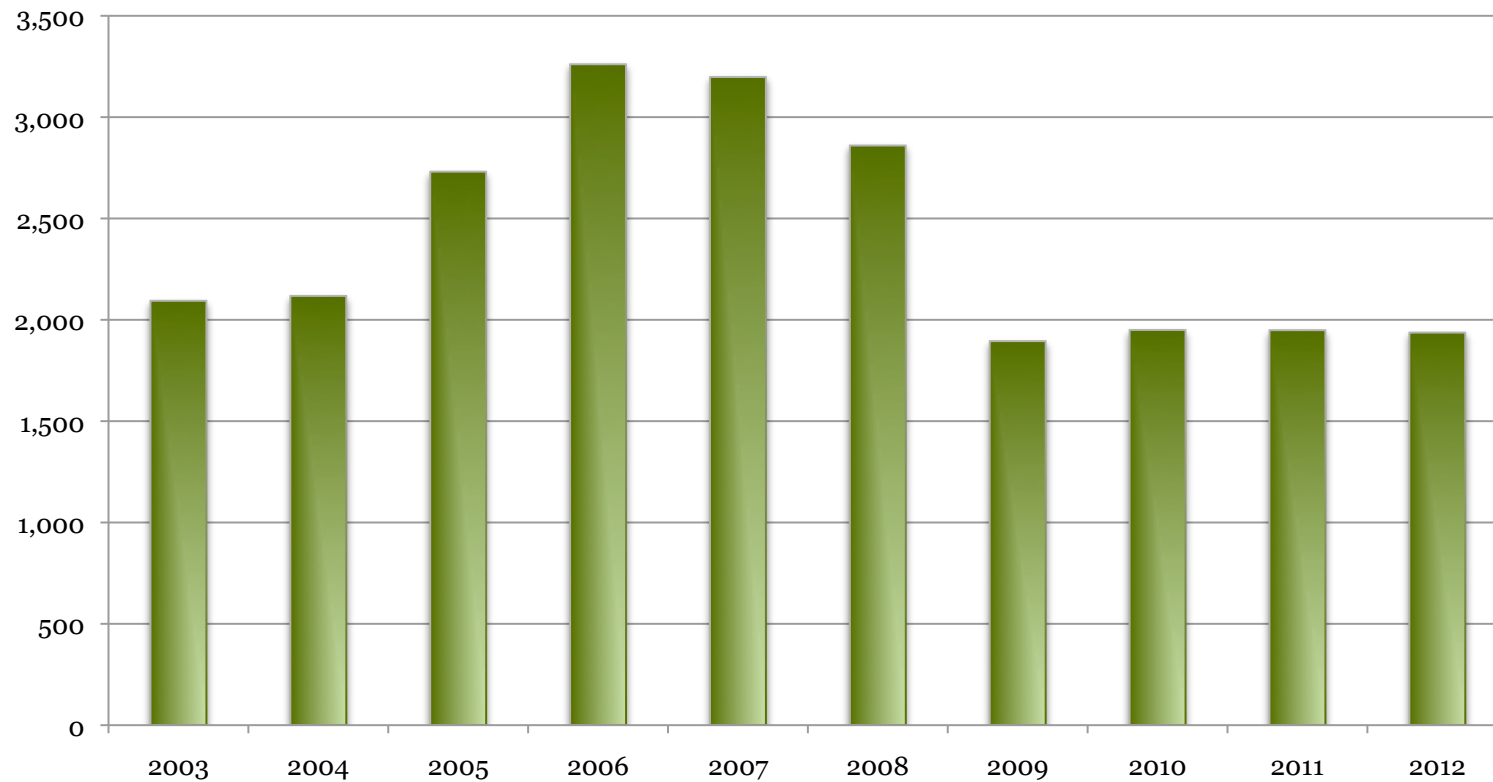
Buying and selling in this market requires a deep understanding of the history and pressures in each area of town and price range. We hope this West Austin Properties Advance Market Report with detailed information by price range, zip codes and area help you make the best decisions for you and your family. 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 – March 2012



- 1 Year-to-date sales in Austin are down <1% from last year.  
Generally sales have remained the same over the last 4 years.

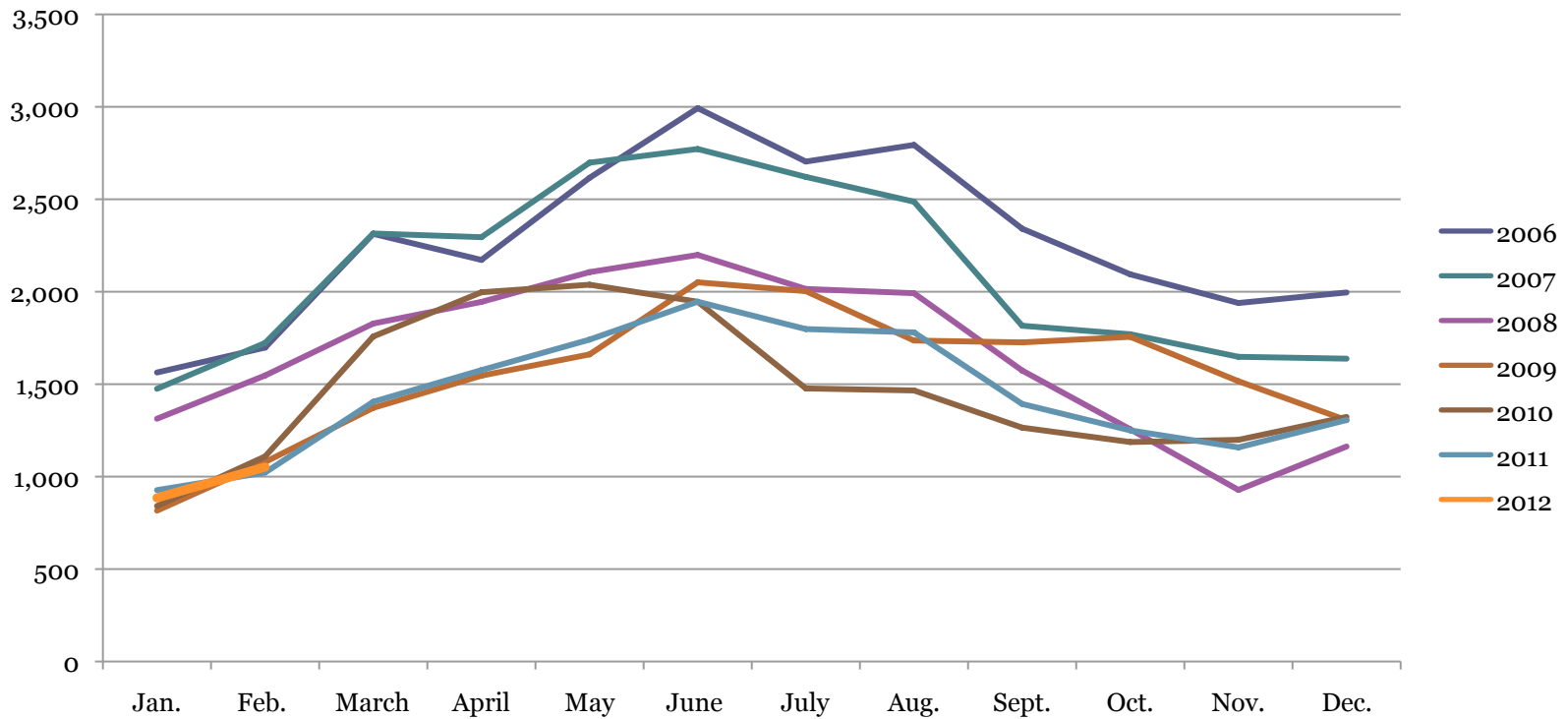


# Homes Sold per Month– February 2012



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The chart below follows the trends of number of sold homes during any given month. Last month there were 1052 homes sold in Austin, Texas. The same number of homes sold in February 2012 that sold in 2010 and 2011. For the last 4 years, demand has remained constant in February.

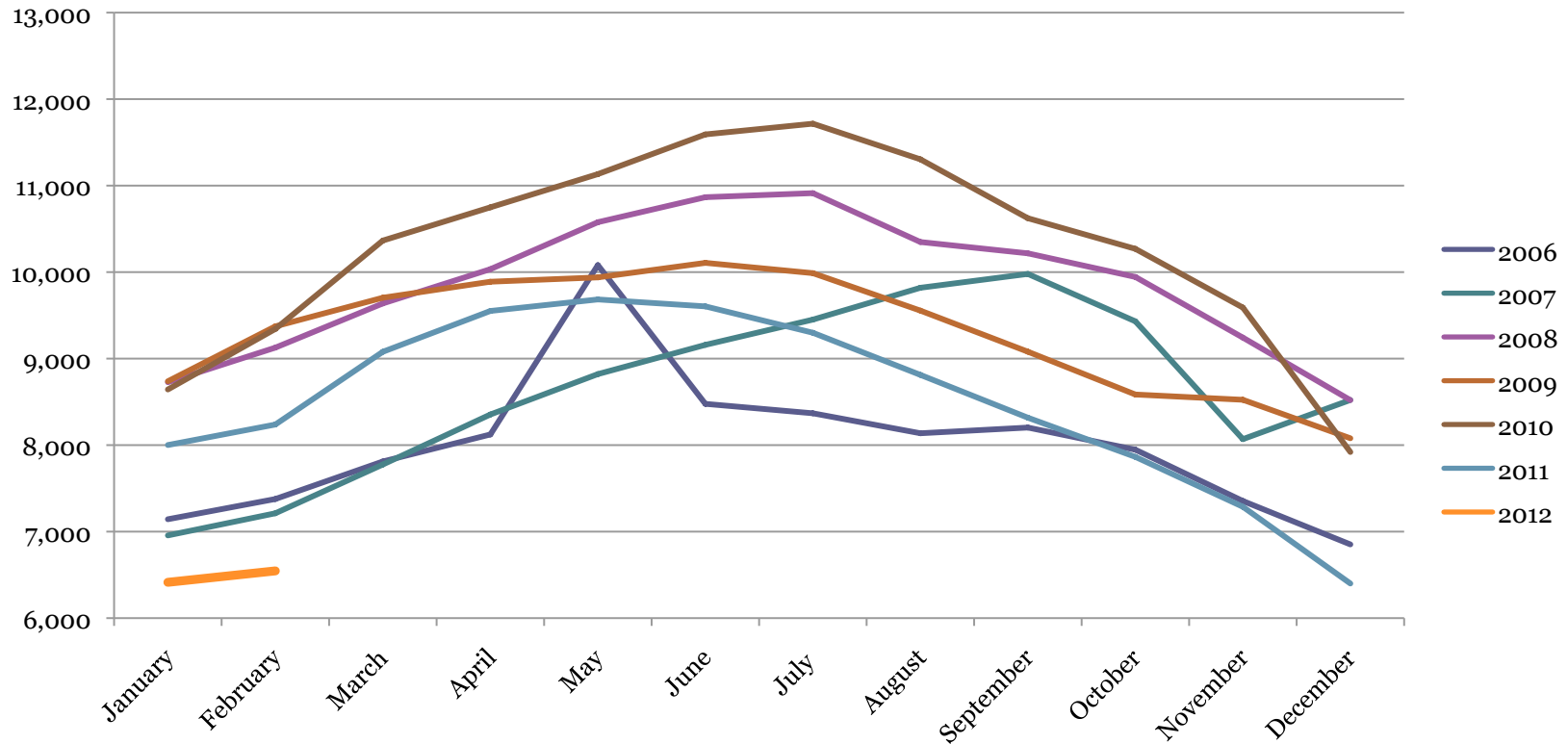


# Homes For Sale– March 2012



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The chart below follows the trends of number of homes for sale during any given month. Last month there were **6,546** homes for sale in Austin, Texas. There are fewer homes for sale at this time than in the last 6 years. There are **20% fewer** homes for sale than last year at this time.

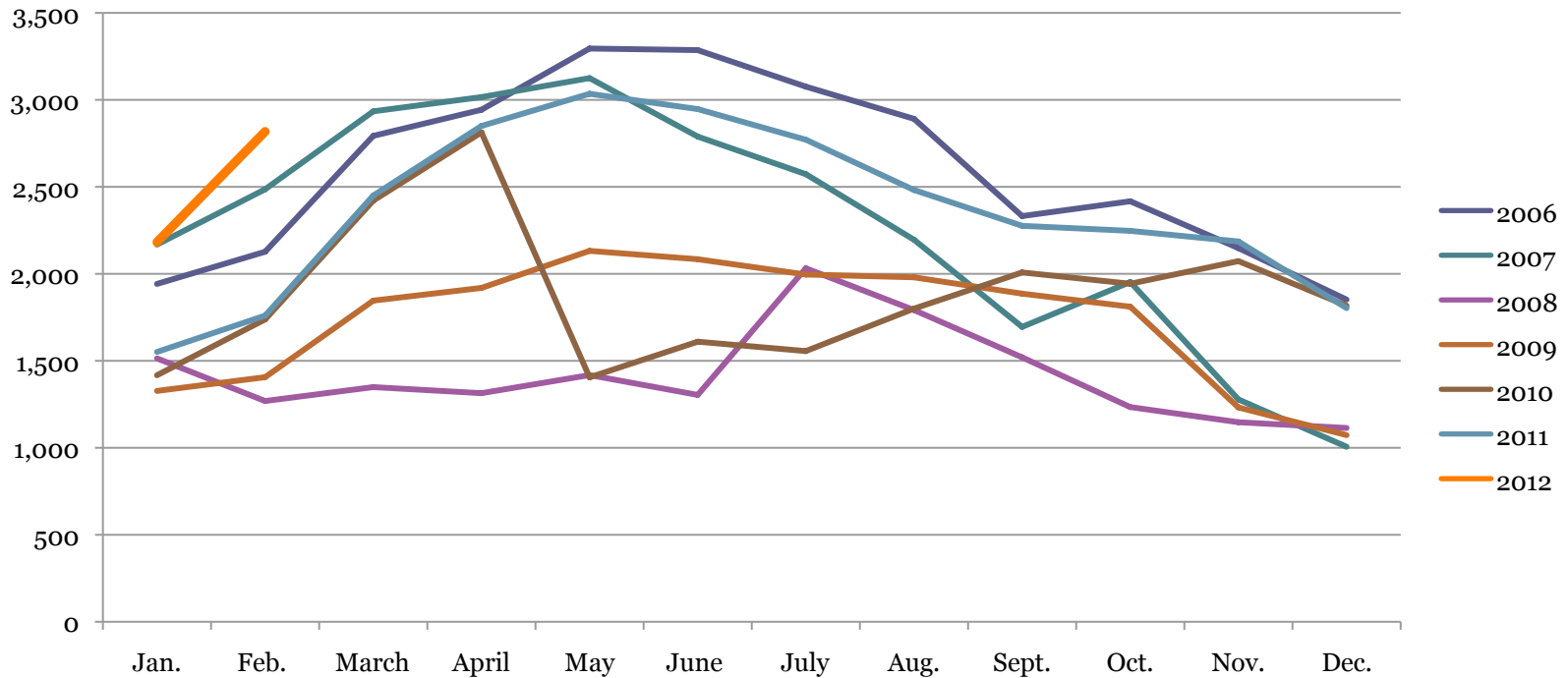


# Pending Sales per Month– March 2012



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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 **2,818 homes Pending in Austin, Texas**. This is higher than 2011, 2010, 2009, and 2008. **It is a sign that demand is strong.** However, because of new qualifying, mortgage and appraisal rules combined with buyer caution, we are seeing more homes not close that any time in the last several years.



# Home Sales by Price Band- March 2012



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The under \$300K price range is a **Normal Seller's Market**, while the \$300K to \$500K price range is a **Balanced and Normal Buyer's Market**. The over \$500K price range is an **Extreme Buyer's Market**. Overall the market has 6.14 months of inventory, and this inventory compared to sold has decreased 15% since last month.

Price Range	# of Sold	Active Listings	Months of Inventory	Market
\$0-\$100k	113	420	3.72	Normal Sellers Market
\$100-\$200k	421	2088	4.96	Normal Sellers Market
\$200-\$300k	257	1400	5.45	Normal Seller's Market
\$300-\$400k	112	832	7.43	Balanced Market
\$400k-\$500k	72	534	7.42	Balanced Market
\$500-\$600k	27	317	11.74	Normal Buyer's Market
\$600-\$700k	15	206	13.73	Extreme Buyer's Market
\$700-\$800k	9	152	16.89	Extreme Buyer's Market
\$800-\$900k	7	103	14.71	Extreme Buyer's Market
\$900-\$1M	5	76	15.20	Extreme Buyer's Market
\$1-\$2M	13	261	20.08	Extreme Buyer's Market
\$2-\$3M	4	70	17.50	Extreme Buyer's Market
\$3M<	0	83	N/A	Extreme Buyer's Market
Overall MKT	1052	6456	6.14	Balanced Market
<b>12+ Months of Inventory</b>				
		Extreme Buyer's Market		High Depreciation
<b>9-12 Months of Inventory</b>				
		Normal Buyer's Market		Moderate Depreciation
<b>6-9 Months of Inventory</b>				
		Balanced Market		Flat/Slight Depreciation
<b>3-6 Months of Inventory</b>				
		Normal Seller's Market		Moderate Appreciation
<b>0-3 Months of Inventory</b>				
		Extreme Seller's Market		High Appreciation

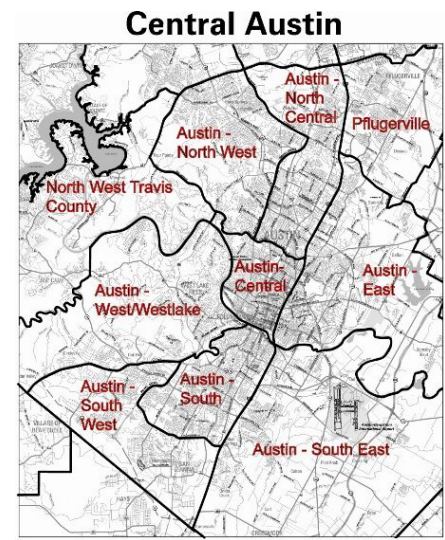
# Home Sales by Region- March 2012



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The chart below provides detail of how well each region of Austin and the surrounding cities are selling. The **South, North Central, Southwest, and Northwest** regions continue to outperform the rest of the market. Several markets showed significant increases in sales compared to the month prior: South, Southwest, West Austin/Westlake and Northwest Travis County. 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	75	410	5.47	\$340,000	83
East Austin	65	297	4.57	\$153,900	75
North Central Austin	56	153	2.73	\$196,500	70
Northwest Austin	60	215	3.58	\$262,700	66
South Austin	72	191	2.65	\$205,900	55
Southeast Austin	29	145	5.00	\$102,500	72
Southwest Austin	65	175	2.69	\$275,000	49
West Austin/Westlake	44	244	5.55	\$381,000	83
Northwest Travis County	92	906	9.85	\$395,000	114
Cedar Park/Leander	110	501	4.55	\$161,500	67
Georgetown	65	540	8.31	\$182,000	91
Pflugerville	49	269	5.49	\$150,000	63
Round Rock	103	575	5.58	\$195,000	78
Dripping Springs/Wimberly	29	352	12.14	\$296,500	122
<b>12+ Months of Inventory</b>			Extreme Buyer's Market	High Depreciation	
<b>9-12 Months of Inventory</b>			Normal Buyer's Market	Moderate Depreciation	
<b>6-9 Months of Inventory</b>			Balanced Market	Flat/Moderat Depreciation	
<b>3-6 Months of Inventory</b>			Normal Seller's Market	Moderate Appreciation	
<b>0-3 Months of Inventory</b>			Extreme Sellers Market	High Appreciation	





# Home Sales by Zip Code- February 2012



The chart below provides detail of how well each Zip Code of Austin is selling. The Northwest and Southwest Austin zip codes are the strongest areas. Ten zip codes out of 17 have less than 6 months' of inventory. Three zip codes out of 17 have less than 3 months' inventory.

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Zip Code	# of Solds	Active Listings	Months of Inventory	Median Sales price	Avg DOM
78701	10	63	6.30	\$311,250	70
78703	20	97	4.85	\$711,250	65
78704	18	73	4.06	\$352,450	57
78705	1	9	9.00	\$247,500	83
78717	16	72	4.50	\$207,500	70
78727	21	39	1.86	\$199,500	73
78730	8	86	10.75	\$572,090	146
78731	14	87	6.21	\$429,050	35
78732	17	126	7.41	\$396,573	81
78733	6	48	8.00	3263200	143
78734	20	200	10.00	\$317,900	88
78735	15	53	3.53	\$332,500	66
78739	22	44	2.00	\$332,250	28
78746	16	120	7.50	\$802,500	103
78749	18	39	2.17	\$245,000	42
78750	12	39	3.25	\$289,000	84
78759	15	59	3.93	\$351,500	72

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

**Central Austin**  
78701  
78703  
78704  
78705  
78731

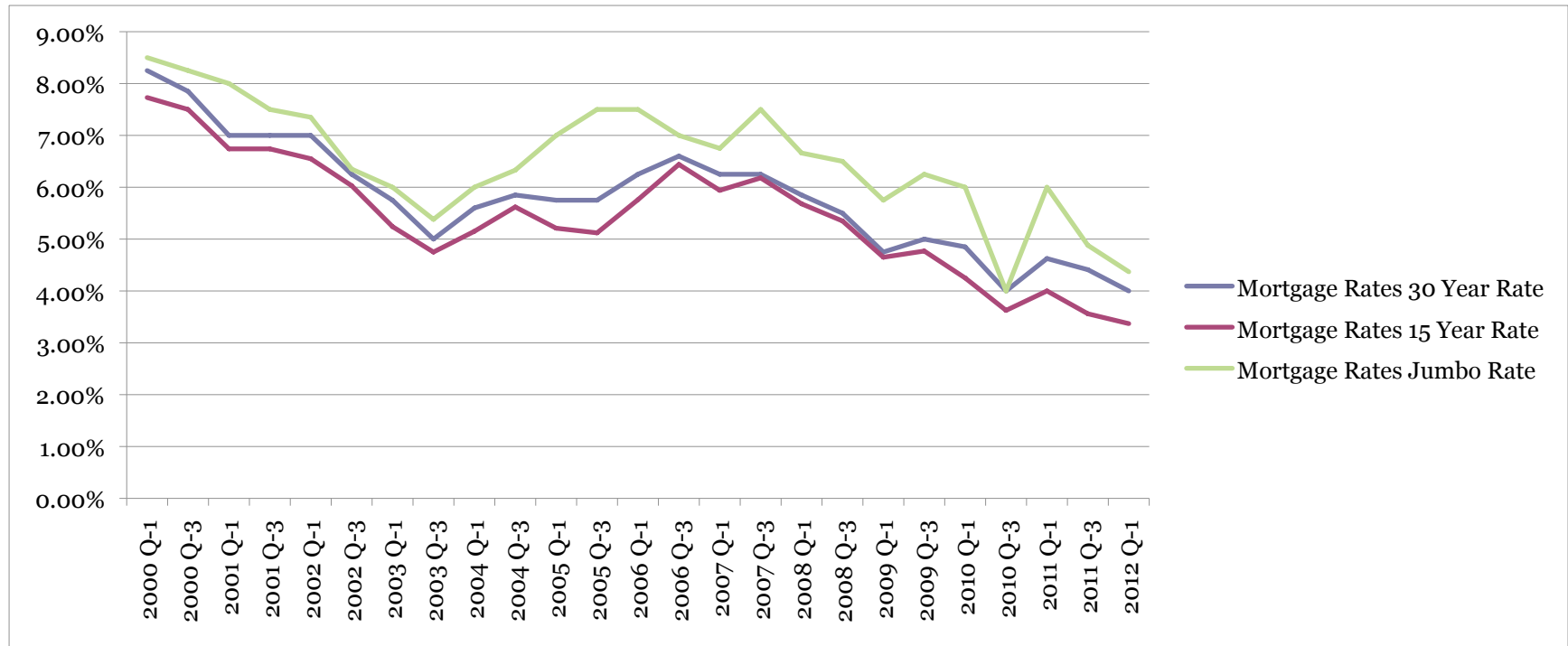
**Northwest Travis Co.**  
78730  
78732  
78734

**Southwest Austin**  
78739  
78749

**Northwest Austin**  
78717  
78727  
78750  
78759

**West Austin/Westlake**  
78733  
78735

# Mortgage Rates - 12 Year Summary



The above chart tracks mortgage rates for the past 12 years. As you can see, mortgage rates are at close to their lowest levels.

**CONFORMING**

30 Yr Fixed 3.99%

15 Yr Fixed 3.25%

**JUMBO** (over \$417K loan amount)

30 Yr Fixed 4.37%

30 Yr FHA 3.87

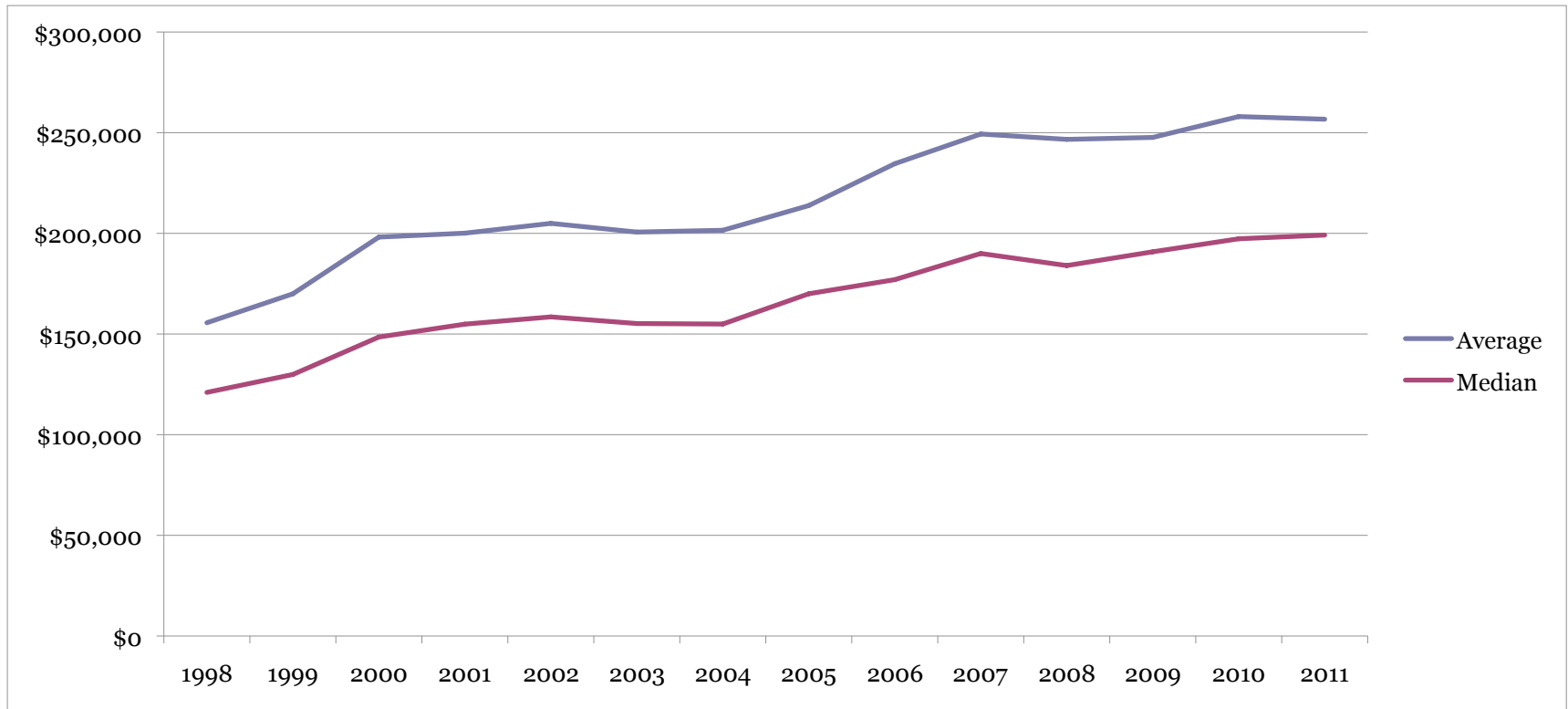
# Average and Median Sold 14 Year Summary



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The chart above follows the trend of average and median sales price per year. Last month the average sales price was **\$260,431**. The median sold price was **\$200,000** last month. The average sales price in February is **up 3.7%** and the median sales price is **unchanged** from one year ago.

The chart below shows the annual average and median Austin home sold.

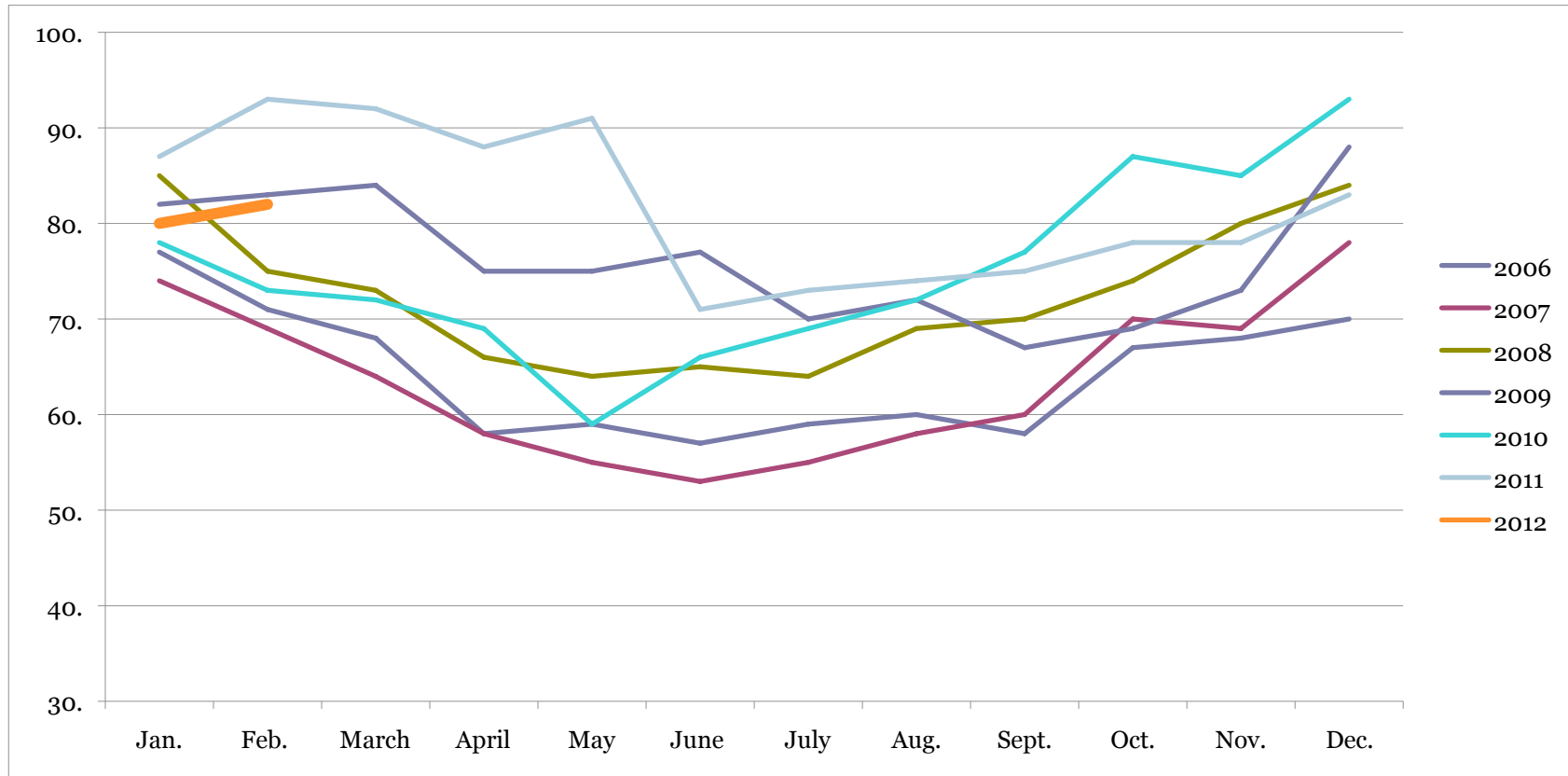


# Average Days on Market 2006-2012



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Of the homes that sold last month, the average amount of days they had been on the market was 82 days. This is 12% fewer days than a year ago.





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- 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.