



November 2011 - Advanced Austin Real Estate Market Report

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

Volume III, Issue XI





Temperatures cool...Market changing and moving from "Seller's to Balanced"

Historically, in the fall the number of houses for sale and the number of sales and pending sales decrease. While this was true for October, it may not be the norm for the upcoming months for several reasons.

Several key observers of the Austin market believe the Austin market has "bottomed out and that the economy is outperforming the nation as a whole" on several fronts:

- The Rice University Kinder Institute for Urban Research in July places Austin as the 11th fastest growing city nationwide by having added nearly half a million residents in the last decade, and predicted 6,000 new residents this summer
- The Federal Reserve Bank of Texas predicted that the Austin metro area would add 7,000 to 11,000 jobs in 2011.
- The devastating fires in Bastrop and Steiner Ranch destroyed over 1500 homes, and most families affected are predicted to stay in the Austin metro area. 1500 families represent 25% of the total sales of homes in September.
- Layoff of state workers due to state budget restrictions has been less than anticipated.
- The rental market is saturated and people have to live somewhere.

Our analysis is the Austin market is defined as a "Balanced Market" with slightly less than 6 months of inventory for sale. Prior to this month, Austin had been a "Normal Seller's Market" for the prior 6 months!

At the end of October, pending sales of houses under contract were at the highest levels in any October since 2006. Pending sales have been at their highest levels since 2006 for 5 months!

For October, demand for homes overall weakened slightly. The Austin market went from 5.97 months of inventory to 6.29 months of inventory. This means for October, compared to September, there were more homes for sale compared to sales in the month.

The Austin market is also changing by price levels. Below \$300,000 the market is defined as a **Normal Seller's Market**. Between \$300,000 and \$700,000 the market is between a **Balanced and Normal Buyer's Market**. Over \$700,000 the market is an **Extreme Buyer's Market**.

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

We hope this West Austin Properties Advanced Market Report with detailed information by price range, zip code and area help you make the best decisions for you and your family

It is our pleasure to deliver it to you so you can spot trends as we see them.

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

Laura Duggan, Gail Boston and Katy Duggan

Summary of the Austin Market



Quick stats if you do not have time for pictures... get your Austin real estate update in less than 1 minute.

1	Home Sales in October 1,259 Homes Sold Higher than Oct. 2008 and 2010 10% Decline from September 2011	
3	Homes for Sale 7,864 Homes FOR SALE Lowest level in 5 years	
4	Pending Home Sales 2,247 Homes Under Contract Highest in four years	
	Month's of Inventory 6.29 Months of Inventory This is considered a Balanced Market .	
5	Market Inventories in different Price Ranges Below \$300K = Normal Sellers Market \$300K-\$700K = Balanced Market \$700K & Up = Extreme Buyer's Market	

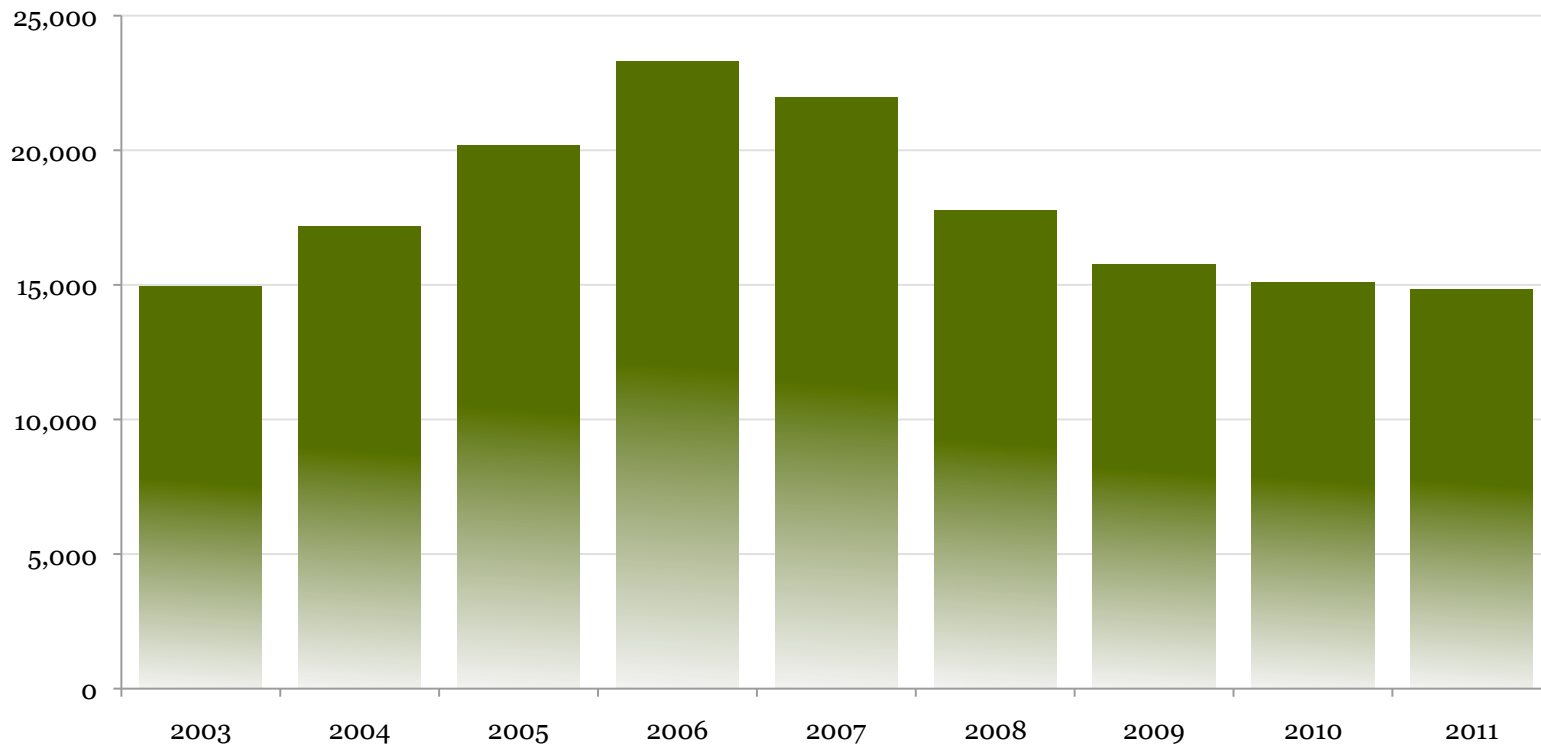
6	Top selling Regions South, Southwest, North Central & Northwest Austin	
7	Top selling Zip Codes 78717, 78727, 78739, 78749, 78750, 78759	
8	Average Price \$243,904 average price of homes 6.6% <u>decrease</u> over last year	
	Median Price \$192,000 median price of homes 1.5% <u>decrease</u> over last year	
9	Days on Market 78 Days—Average Days on Market 6% increase from last year	

Year to Date Sales – October 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 6% lower than two years ago.

Year-to-date comparison

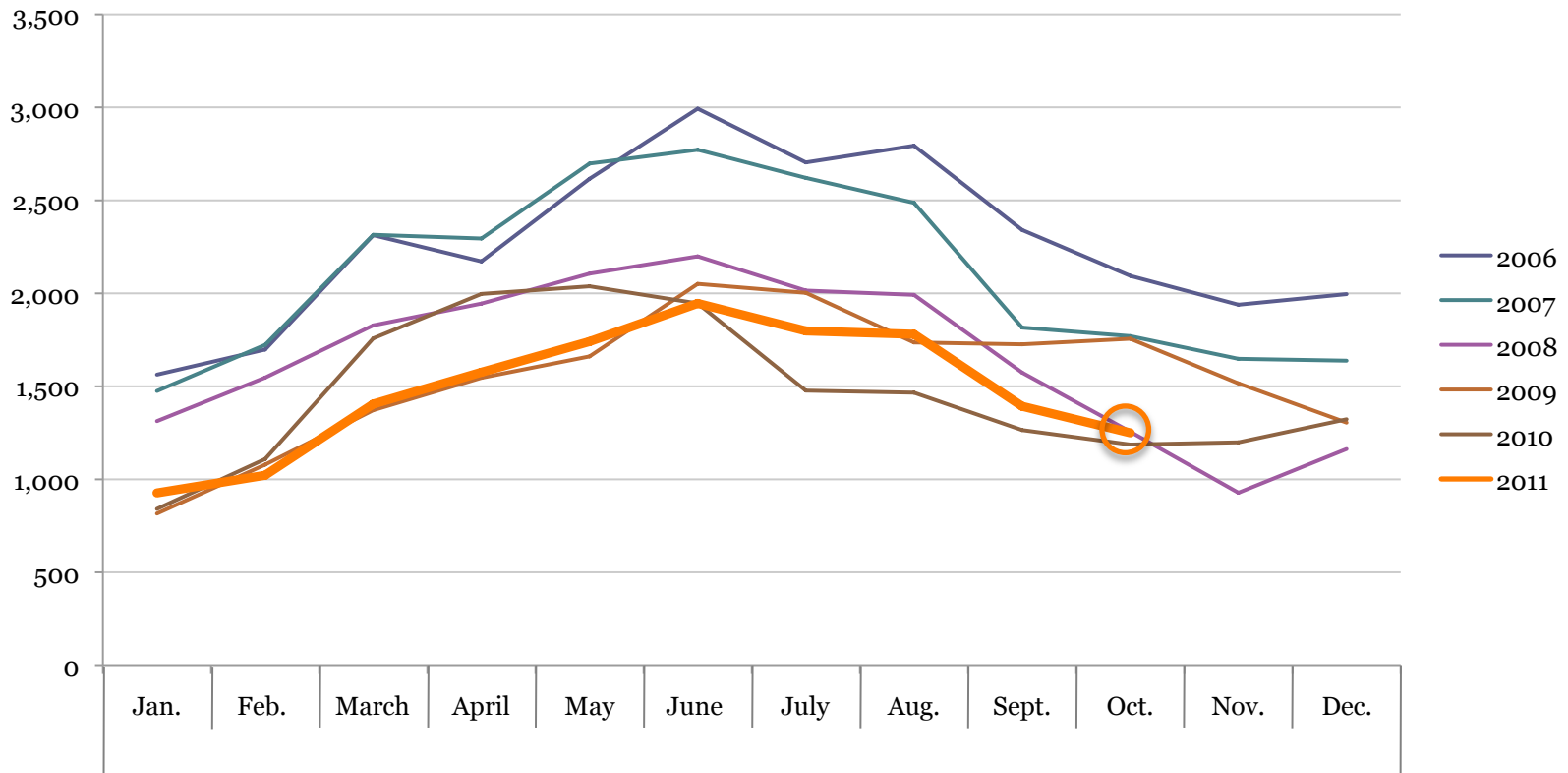


Homes Sold per Month



2

The chart below follows the trends of number of sold homes during any given month. Last month there were 1,250 homes sold in Austin, Texas. More homes sold in October 2011 than in 2010, however, sales were 29% below 2009 and 2007.

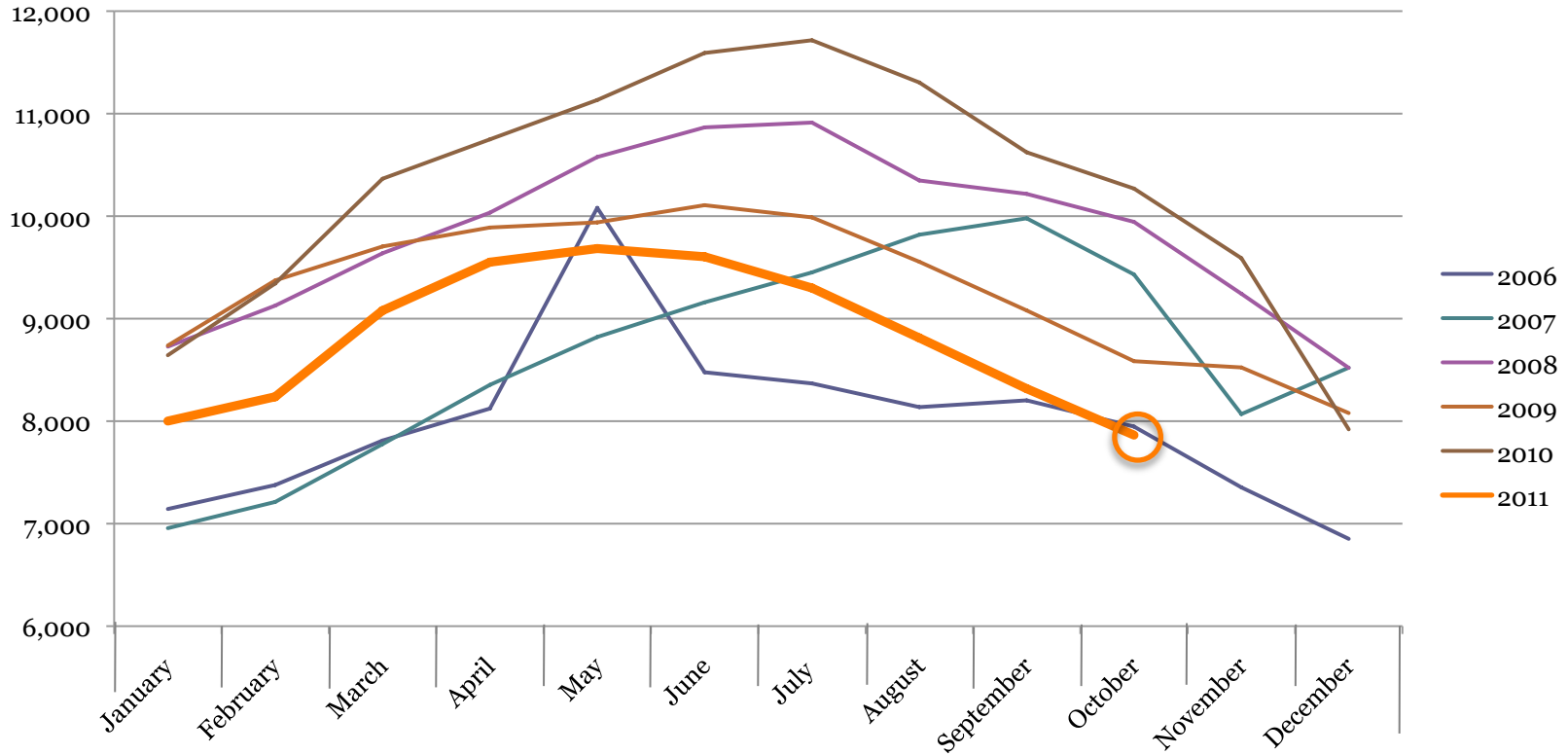


Homes For Sale



3

The chart below follows the trends of number of homes for sale during any given month. Last month there were **7,864** homes for sale Austin, Texas. There are fewer homes for sale at this time than in the last 5 years. There are **22% fewer** homes for sale than last year at this time.

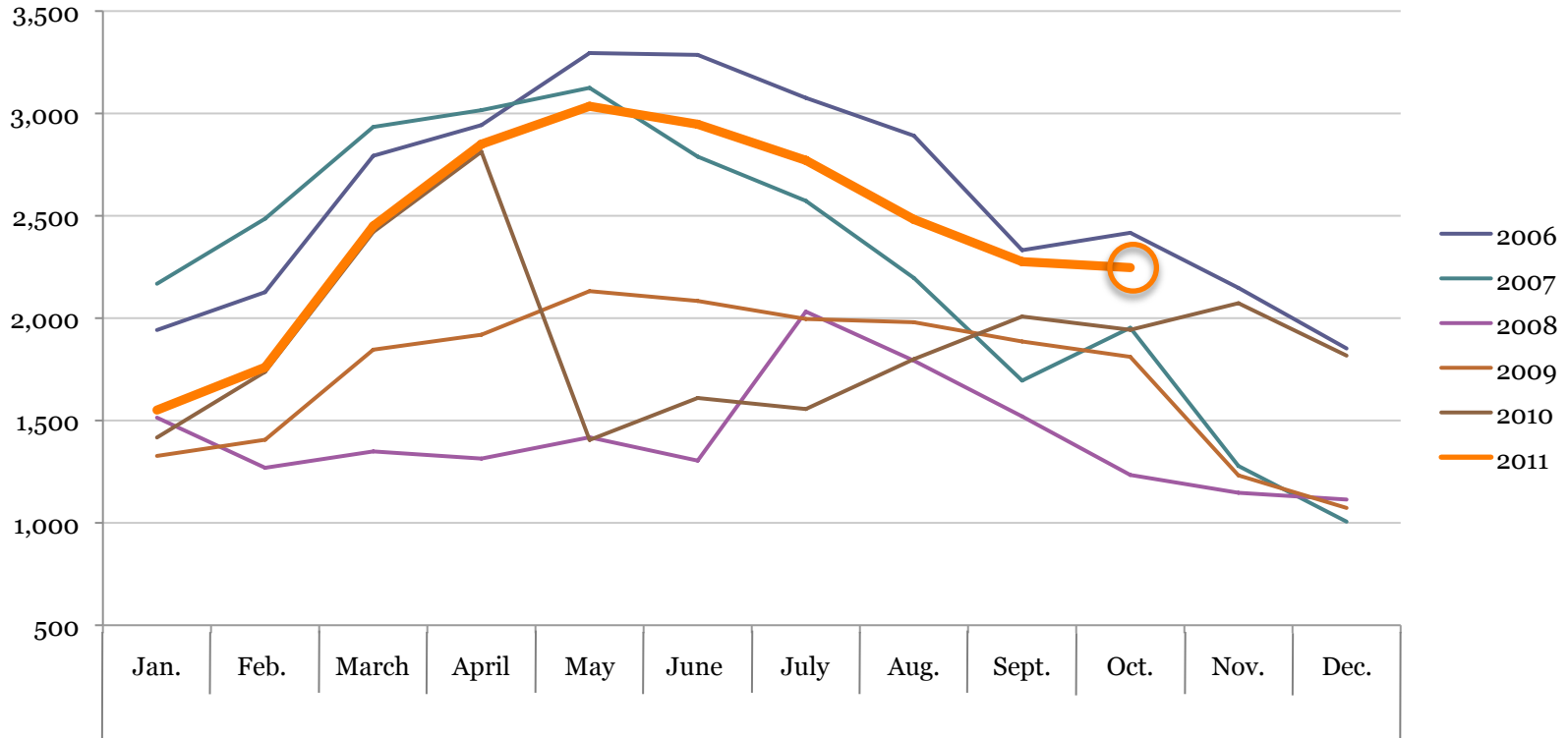


Pending Sales per Month



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 **2,247** 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- September 2011



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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 **Balanced Market**.

The under \$300K price range is a **Normal Seller's Market**, while the **\$300K to \$700K** price range is a **Balanced Market**. The over **\$700K** price range is an **Extreme Buyer's Market**.

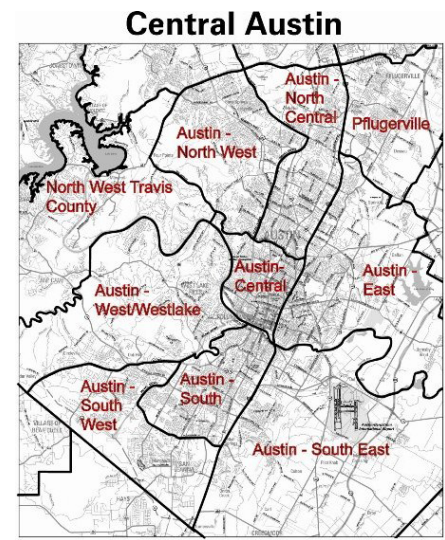
Price Range	# of Solds	Active Listings	Months of Inventory	Market
\$0-\$100k	116	554	4.78	Normal Seller's Market
\$100-\$200k	524	2730	5.21	Normal Seller's Market
\$200-\$300k	291	1721	5.91	Normal Seller's Market
\$300-\$400k	135	945	7.00	Balanced Market
\$400k-\$500k	67	587	8.76	Balanced Market
\$500-\$600k	46	350	7.61	Balanced Market
\$600-\$700k	20	178	8.90	Balanced Market
\$700-\$800k	11	142	12.91	Extreme Buyer's Market
\$800-\$900k	9	111	12.33	Extreme Buyer's Market
\$900-\$1M	5	79	15.80	Extreme Buyer's Market
\$1-\$2M	21	303	14.43	Extreme Buyer's Market
\$2-\$3M	3	75	25.00	Extreme Buyer's Market
\$3M<	0	85	85.00	Extreme Buyer's Market
Overall MKT	1250	7864	6.29	Balanced Market
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/Moderate 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- September 2011

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The chart below provides detail of how well each region of Austin and the surrounding cities are selling. The **South, Southwest, North Central and Northwest** regions continue to outperform the rest of the market. Eight 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	68	467	6.90	\$326,000	69
East Austin	76	359	4.72	\$156,200	78
North Central Austin	56	234	4.18	\$190,250	63
Northwest Austin	80	303	3.79	\$251,250	79
South Austin	82	283	3.45	\$191,000	64
Southeast Austin	29	181	6.24	\$94,000	63
Southwest Austin	57	235	4.12	\$275,000	57
West Austin/Westlake	38	276	7.26	\$622,975	76
Northwest Travis County	96	974	10.15	\$387,723	81
Cedar Park/Leander	128	652	5.09	\$189,750	76
Georgetown	70	591	8.44	\$208,500	88
Pflugerville	71	372	5.24	\$144,900	69
Round Rock	130	651	5.01	\$193,200	78
Dripping Springs/Wimberly	35	390	11.14	\$266,500	91
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/Moderate 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 Zip Code- September 2011



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

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

Zip Code	# of Solds	Active Listings	Months of Inventory	Median Sales price	Avg DOM
78701	8	77	9.63	\$322,000	68
78703	10	112	11.20	\$606,600	70
78704	20	107	5.35	\$362,500	70
78705	3	13	4.33	\$329,000	86
78717	26	76	2.93	\$232,145	69
78727	22	67	3.05	\$203,700	48
78730	6	88	14.67	\$709,500	165
78731	14	96	6.86	\$490,225	43
78732	27	134	4.96	\$435,000	51
78733	5	57	11.40	\$607,000	44
78734	11	207	18.81	\$245,000	63
78735	7	69	9.86	\$320,000	94
78739	20	54	2.70	\$350,000	43
78746	22	130	5.91	\$783,050	82
78749	31	60	1.94	\$230,000	45
78750	19	75	3.95	\$255,200	81
78759	23	84	3.65	\$315,000	92
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/Moderat 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

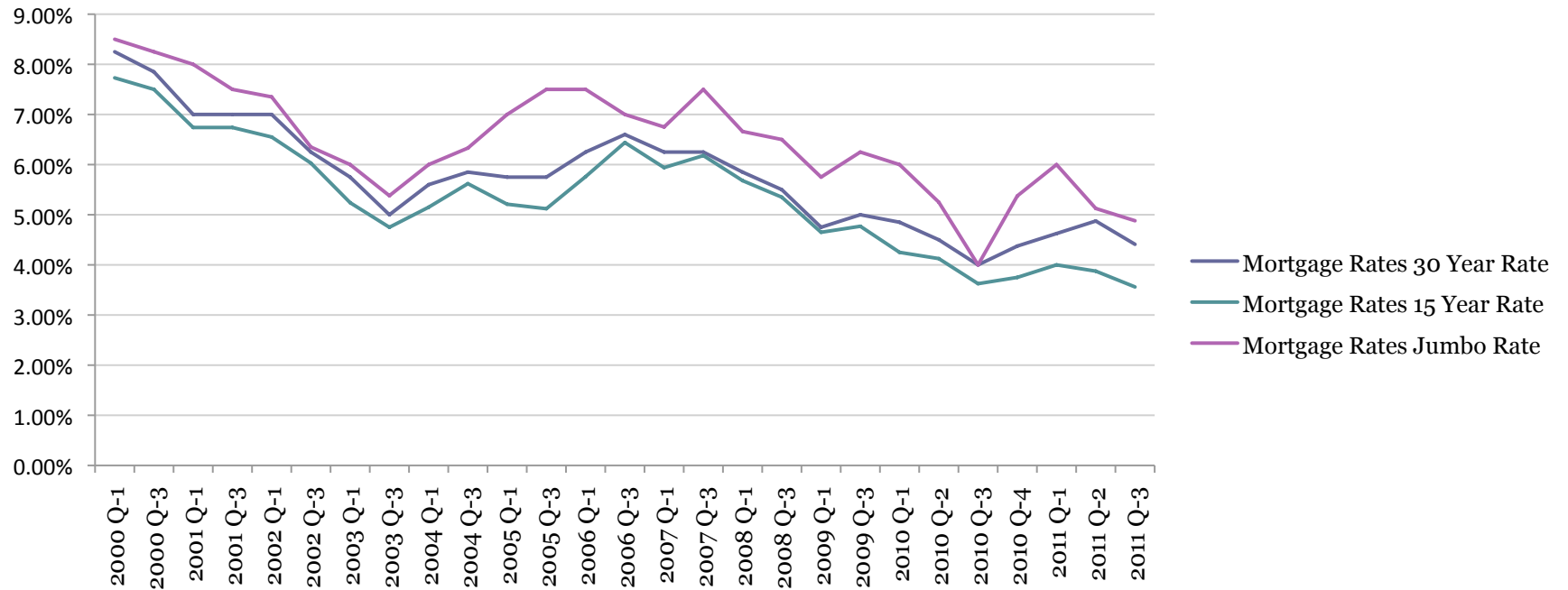
Northwest Austin

78717
78727
78750
78759

West Austin/Westlake

78733
78735

Mortgage Rates - 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%

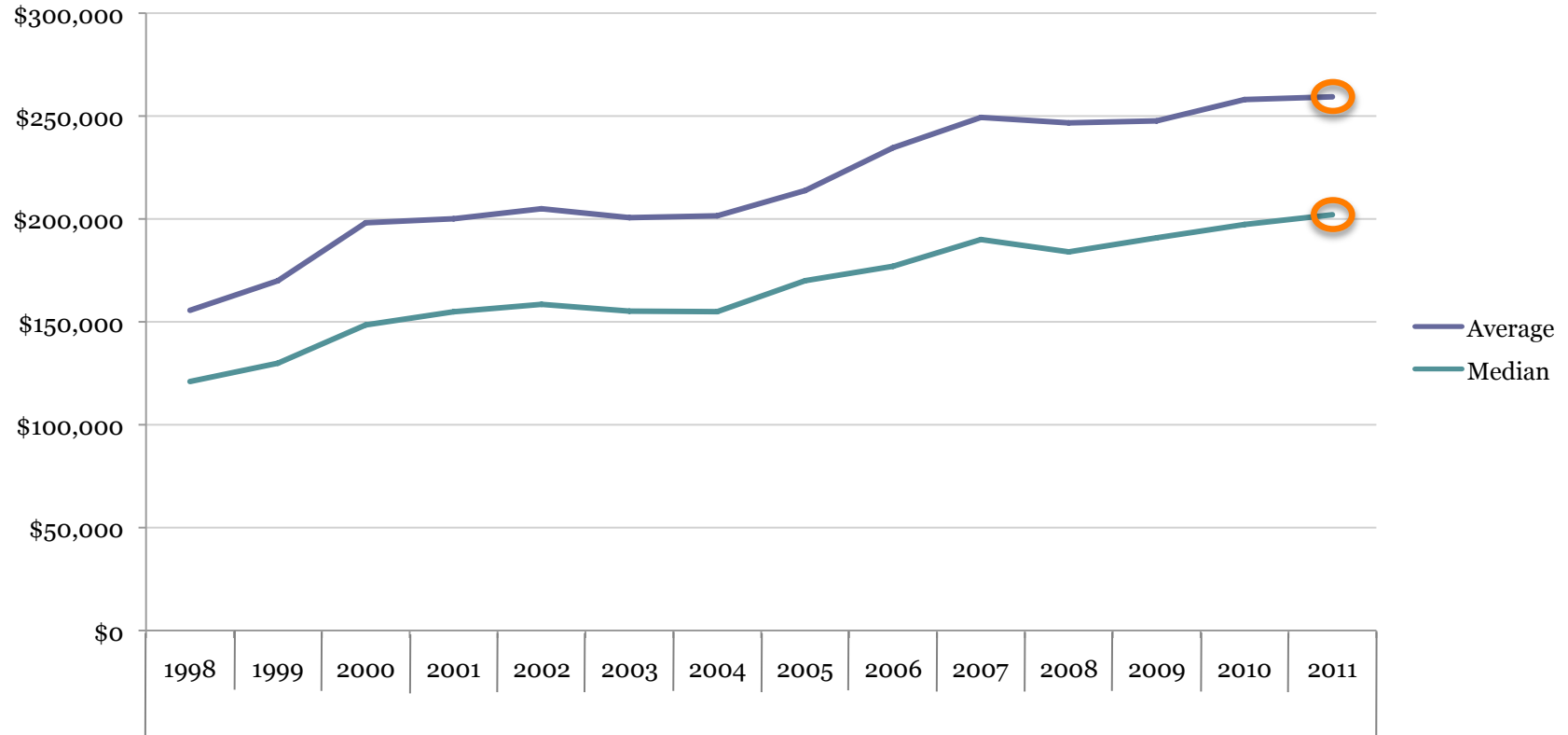
30 Yr FHH 3.75

Average and Median Sold 12 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 **\$243,904**. The median sold price was **\$192,000** last month. The average sales price is **down 9%** and the median sales price is **down 4%** from one year ago.

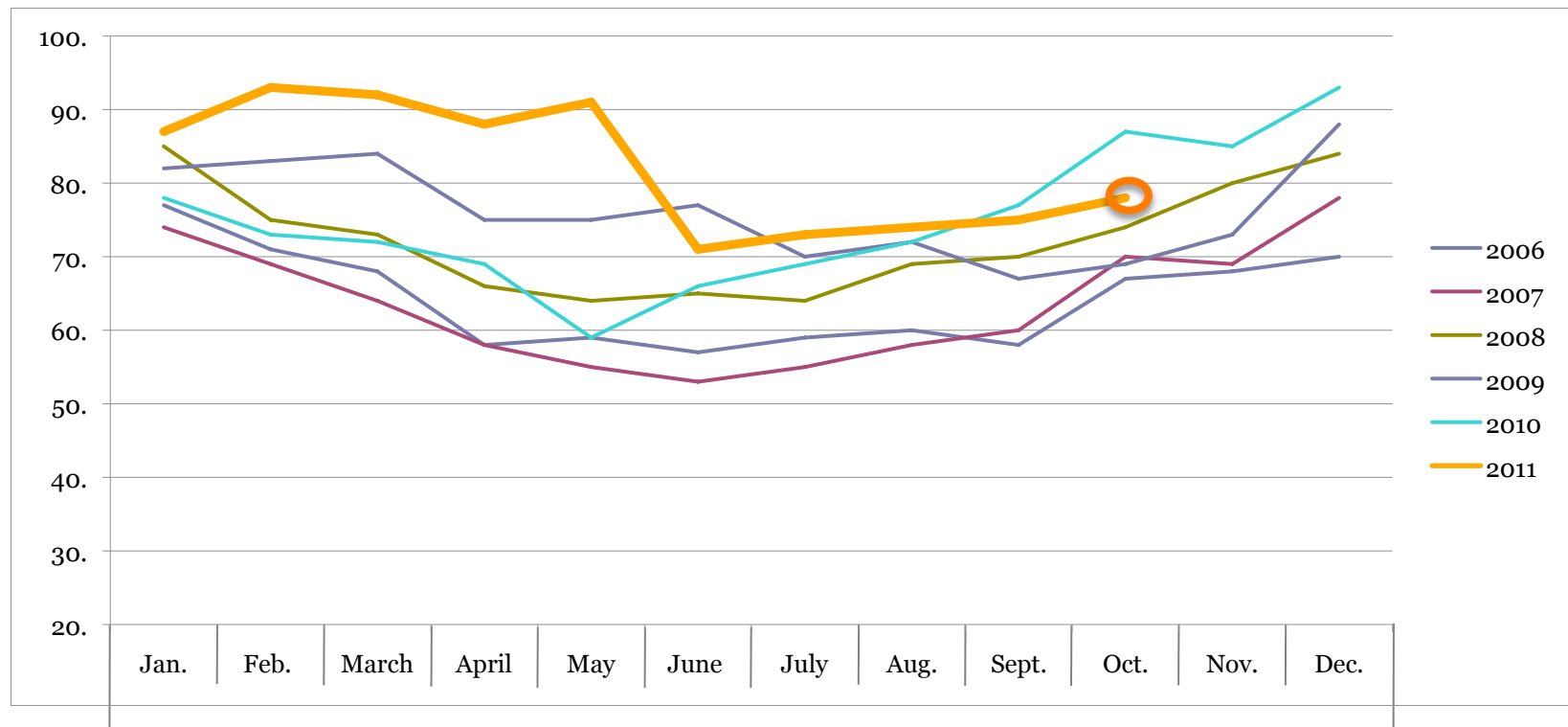


Average Days on Market 2003-2011



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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 78 days. This is fewer days than a year ago, and longer than in 2006 and 2009.





Laura Duggan,

Broker/Owner

REALTOR® CIAS, CIPS,
CLHMS, CDPE, CRB, CRS

Direct: (512) 750-2425

Email: laura@westaustin.com



Gail Boston,

Partner

REALTOR®

Direct: (512) 626-5348

Email: gail@westaustin.com



Katy Duggan,

REALTOR® CIAS, CDPE

Direct: (512) 826-4316

Email: katy@westaustin.com

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.