



October 2011 - Advanced Austin Real Estate Market Report

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

Volume III, Issue X





Heat and fires subside...market changingstill hot in October

Historically, following the starting of school and end of summer, the number of houses for sale increases and the number of sales and pending sales decrease. While this was true for September, 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 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 "Normal Seller's Market" with slightly less than 6 months of inventory for sale. Austin overall has been a "Normal Seller's Market" for the last 6 months!

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

For September, demand for homes overall weakened slightly. The Austin market went from 4.95 months of inventory to 5.97 months of inventory. This means for September, compared to August, there were more homes for sale compared to sales in the month. However pending sales are high for September, a normally slower month, and an increase in months of inventory may not represent the trend of the Fall.

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 \$800,000 the market is between a Balanced and Normal Buyer's Market. Over \$800,000 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 September 1,394 Homes Sold	↑
2	Higher than Sept. 2009 and 2010 2% Decline from August 2011	
3	Homes for Sale 8,317 Homes FOR SALE Lowest level in 5 years	↓
4	Pending Home Sales 2,276 Homes Under Contract Highest in five years	↑
	Month's of Inventory 5.97 Months of Inventory This is considered close to a Balanced Market .	
5	Market Inventories in different Price Ranges Below \$300K = Normal Sellers Market \$300K-\$800K = Balanced Market \$800K & Up = Extreme Buyer's Market	↑ ↑ ↑

6	Top selling Regions South, Southwest, North Central & Northwest Austin	
7	Top selling Zip Codes 78717, 78735, 78739, 78749, 78750	
8	Average Price \$258,154 average price of homes 3.3% <u>decrease</u> over last year	↓
	Median Price \$193,453 median price of homes 1.5% <u>decrease</u> over last year	
9	Days on Market 75 Days—Average Days on Market 6% increase from last year	↑

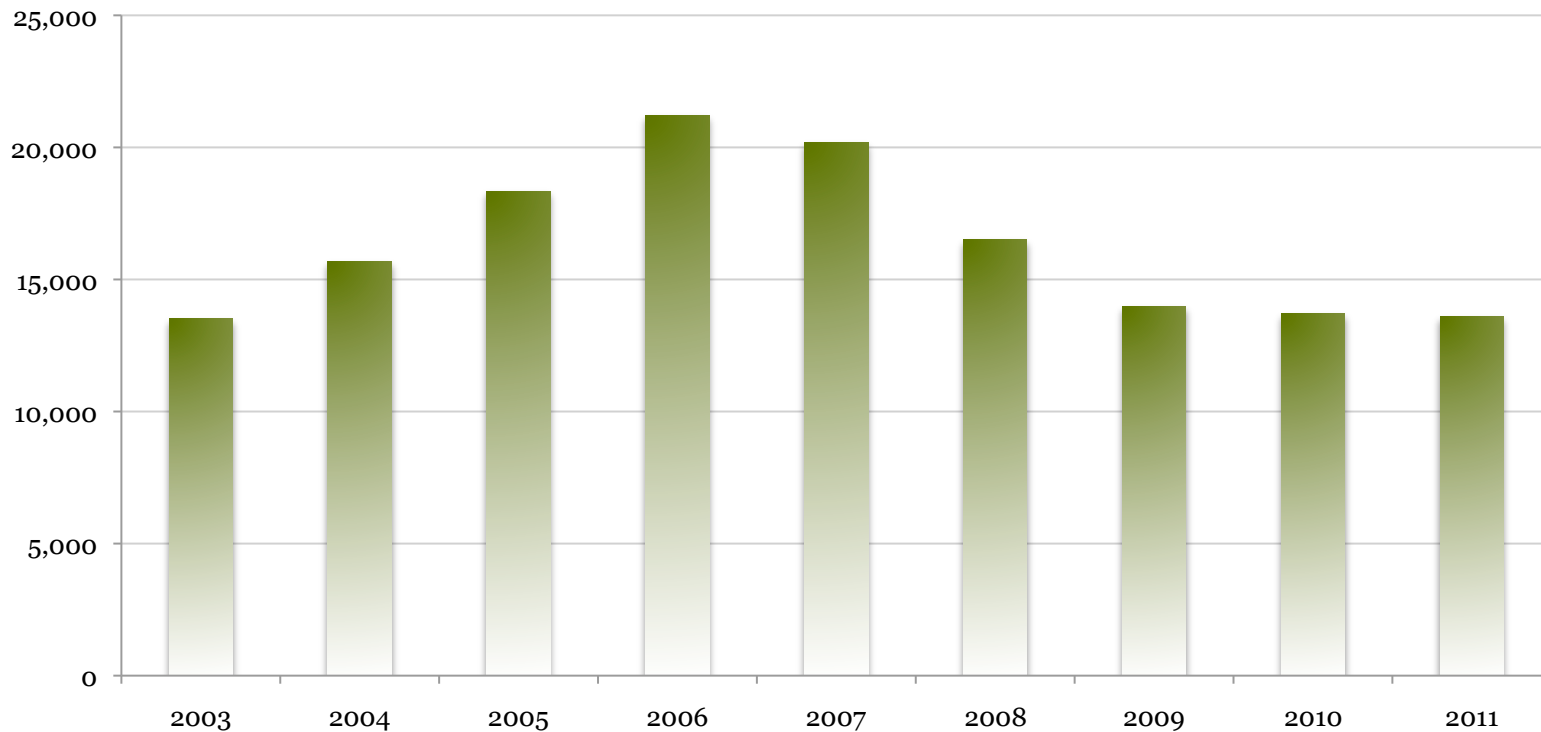
Year to Date Sales – September 2011



1

Year-to-date sales in Austin are down 13% from last year. However, last year was impacted by the first time homebuyer tax incentive. Sales for the year are 3% higher than two years ago.

Year-to-Date Sales

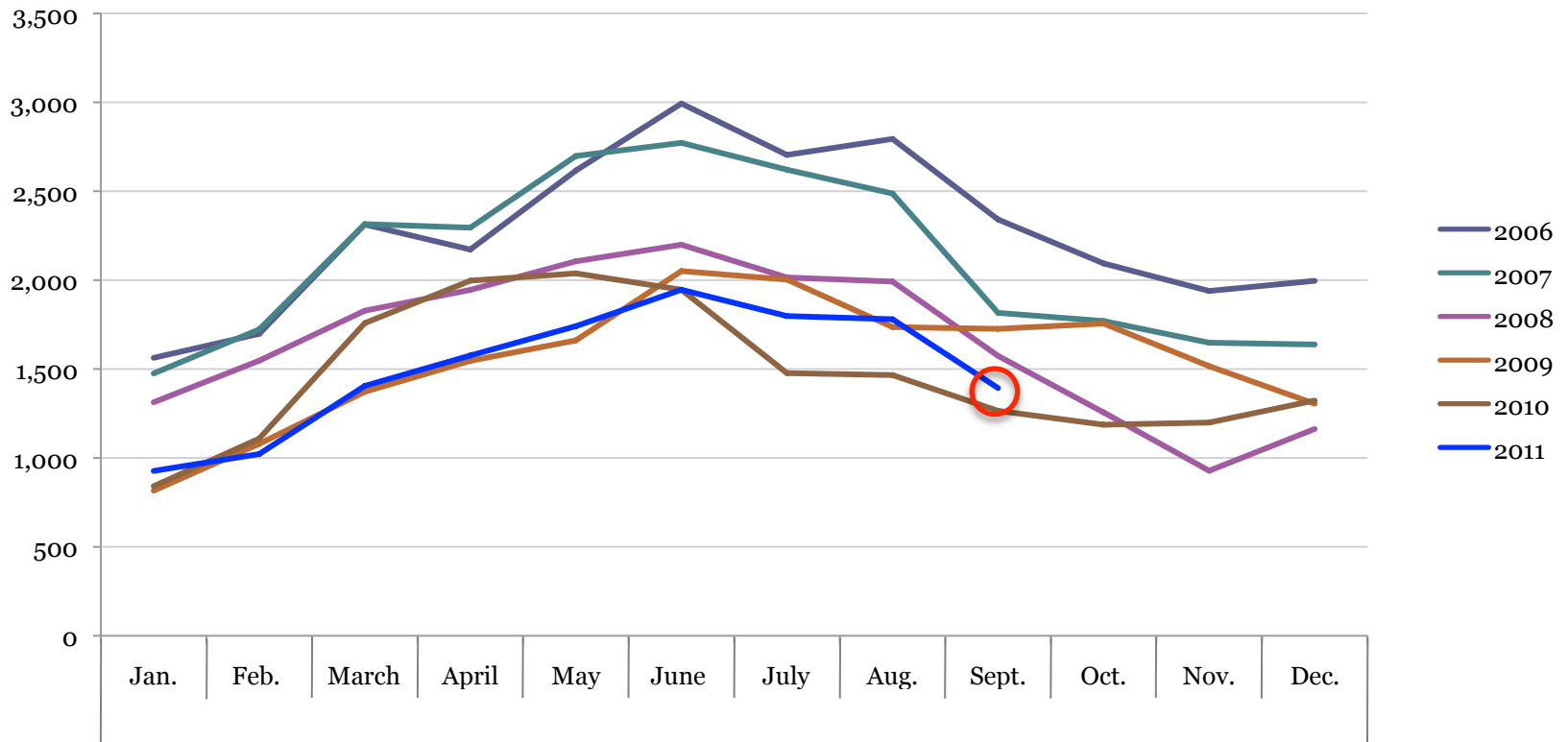


Homes Sold per Month



2

The chart below follows the trends of number of sold homes during any given month. Last month there were 1,393 homes for sale in Austin, Texas.

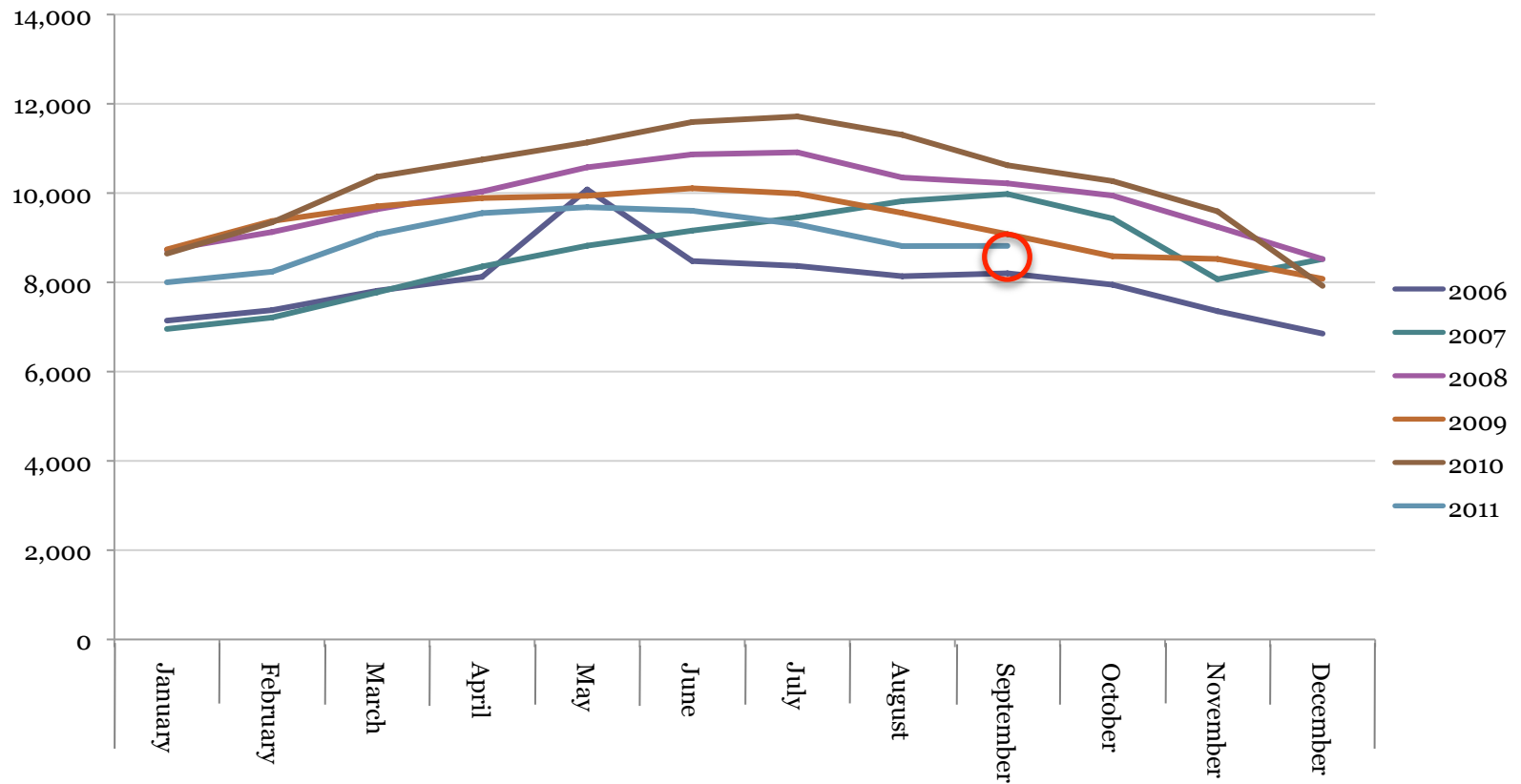


Homes For Sale



3

The chart below follows the trends of number of homes for sale during any given month. Last month there were **8,817** homes for sale Austin, Texas.

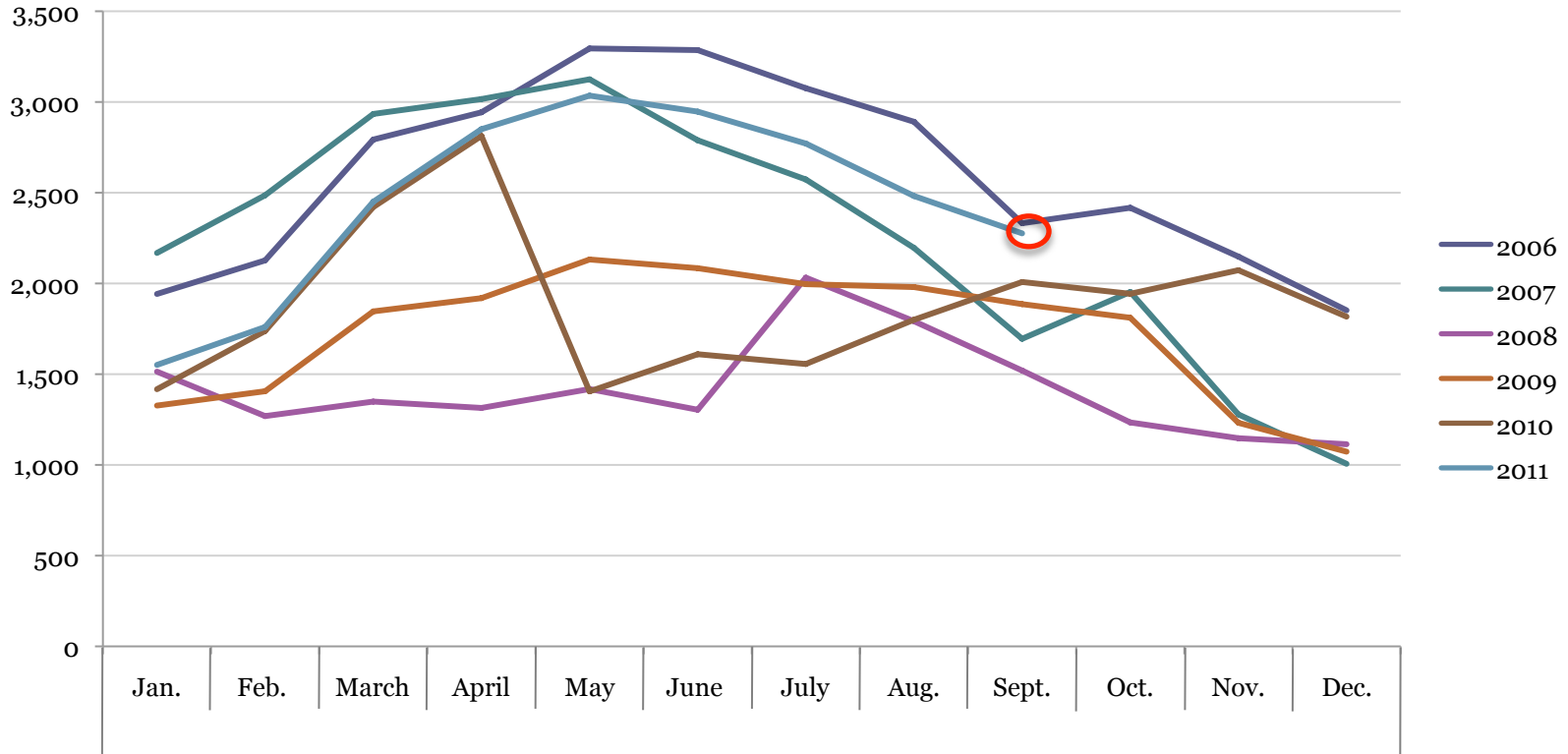


Pending Sales per Month



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 **2,276 homes Pending in Austin, Texas**. This is higher than 2010, 2009, 2008, and 2007. **It is a very good sign that demand is strengthening.**



Home Sales by Price Band



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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 **Normal Seller's Market**.

The under \$300K price range is a **Normal Seller's Market**, while the **\$300K to \$800K** price range is a **Balanced and Normal Buyer's Market**. The over **\$800K** price range is an **Extreme Buyer's Market**.

September 2011 Home Sales by Price Band

Price Range	# of Solds	Active Listings	Months of Inventory	Market
\$0-\$100k	130	543	4.18	Normal Seller's Market
\$100-\$200k	586	2868	4.89	Normal Seller's Market
\$200-\$300k	323	1804	5.58	Normal Seller's Market
\$300-\$400k	170	1025	6.03	Balanced Market
\$400k-\$500k	62	605	9.75	Normal Buyer's Market
\$500-\$600k	42	394	9.38	Normal Buyer's Market
\$600-\$700k	26	222	8.54	Balanced Market
\$700-\$800k	18	158	8.78	Balanced Market
\$800-\$900k	9	111	12.33	Extreme Buyer's Market
\$900-\$1M	8	86	10.75	Normal Buyer's Market
\$1-\$2M	17	321	18.88	Extreme Buyer's Market
\$2-\$3M	2	80	40.10	Extreme Buyer's Market
\$3M<	2	96	48.00	Extreme Buyer's Market
Overall MKT	1393	8317	5.97	Normal Seller's Market
12+ Months of Inventory				
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

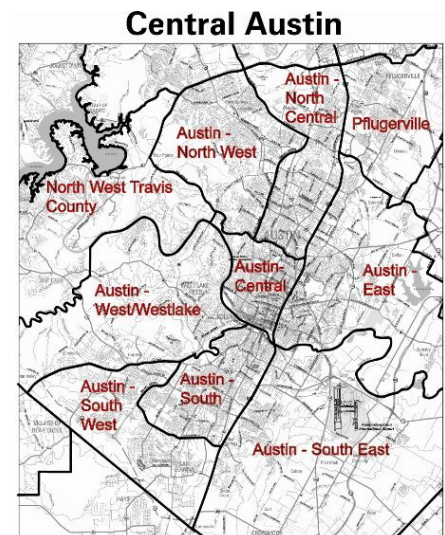


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The chart below provides detail of how well each region of Austin and the surrounding cities are selling. The **South, Southwest, North Central and Northwest** regions continue to outperform the rest of the market.

September 2011 Home Sales by Region

Region	# of Solds	Active Listings	Months of Inventory	Median Selling Price	Avg DOM
Central Austin	82	489	5.96	\$361,110	87
East Austin	76	396	5.21	\$140,354	82
North Central Austin	64	266	4.16	\$185,000	56
Northwest Austin	79	329	4.16	\$300,000	58
South Austin	90	322	3.58	\$205,200	50
Southeast Austin	39	173	4.44	\$92,680	90
Southwest Austin	85	268	3.15	\$276,500	56
West Austin/Westlake	60	334	5.67	\$466,000	72
Northwest Travis County	105	1049	9.99	\$343,750	83
Cedar Park/Leander	144	657	4.56	\$168,375	71
Georgetown	80	604	7.75	\$196,200	102
Pflugerville	74	386	5.22	\$155,335	74
Round Rock	173	690	3.99	\$194,000	65
Dripping Springs/Wimberly	39	411	10.54	\$316,500	90
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



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

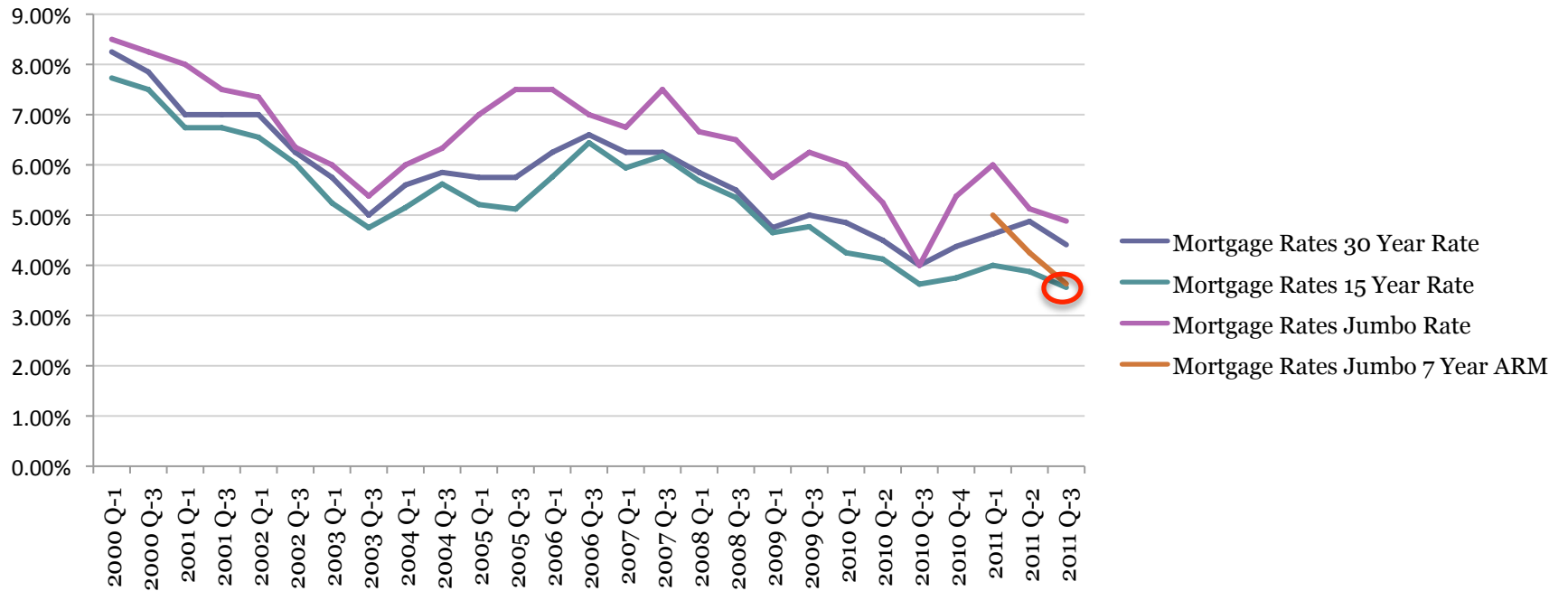
There are quite a few zip codes with surging sales numbers. The Northwest and Southwest Austin zip codes are the strongest areas.

September 2011 Home Sales by Zip Code

Zip Code	# of Solds	Active Listings	Months of Inventory	Median Sales price	Avg DOM
78701	14	83	5.93	\$370,500	73
78703	21	104	4.45	\$555,500	75
78704	29	114	3.93	\$335,000	63
78705	2	16	8.00	\$625,000	66
78717	32	84	2.63	\$215,500	56
78727	12	65	5.42	\$158,450	59
78730	4	94	23.50	\$679,500	37
78731	18	109	6.05	\$436,200	78
78732	22	144	6.55	\$387,500	56
78733	11	68	6.18	\$533,500	70
78734	28	220	7.85	\$329,500	89
78735	21	72	3.43	\$342,600	89
78739	26	60	2.31	\$336,000	55
78746	22	165	7.50	\$776,500	66
78749	35	72	2.06	\$234,900	43
78750	24	81	3.38	\$362,500	56
78759	13	92	7.08	\$370,000	59
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	Northwest
78703	Travis Co.
78704	78730
78705	78732
78731	78734
Southwest Austin	
	78739
	78749
Northwest Austin	
78717	
78727	West Austin/
78750	Westlake
78759	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 4.41%, 1/2 pt.
 15 Yr Fixed 3.56%, 1 pt.

JUMBO (over \$417K loan amount)

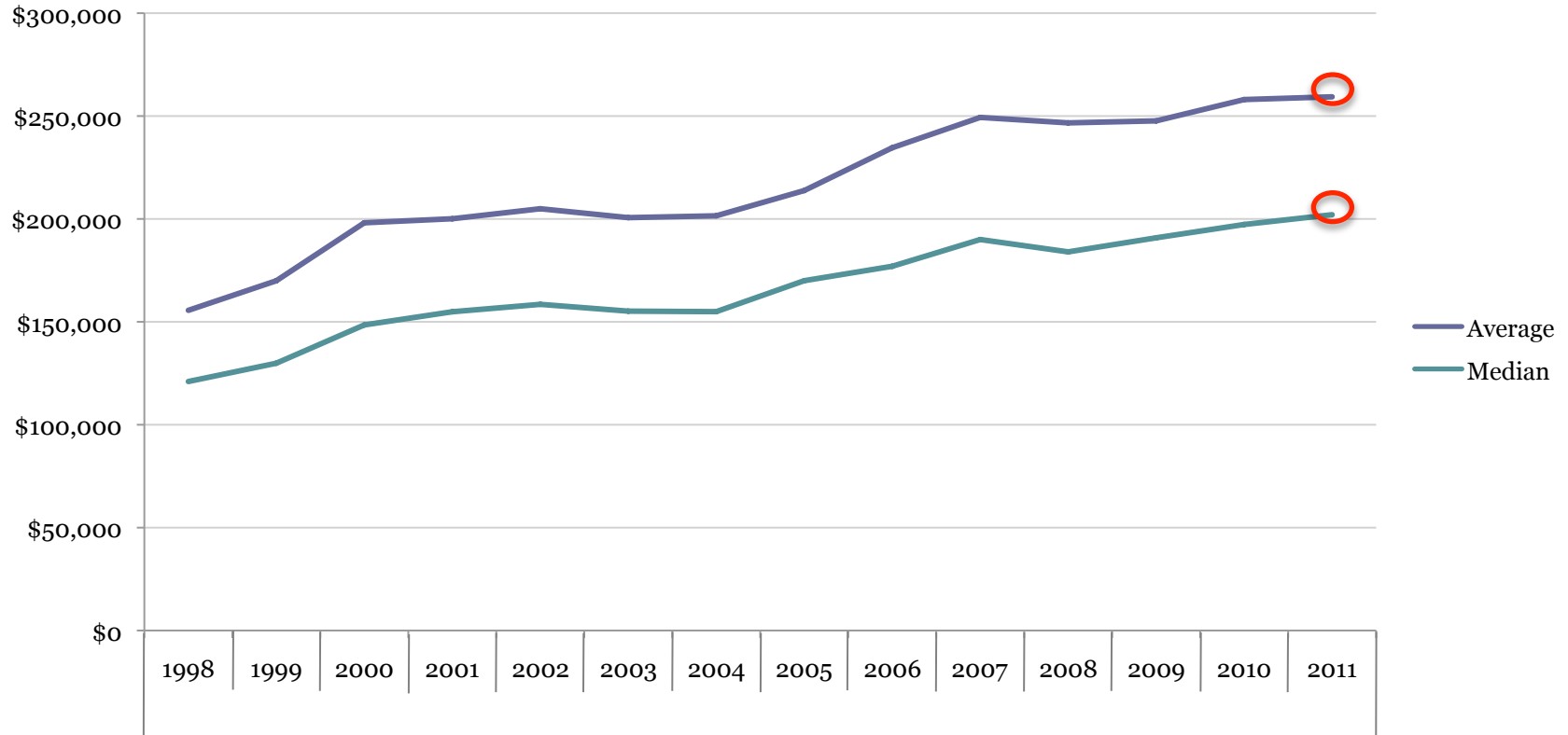
30 Yr Fixed 4.875% , 1 pt.
 7 Yr ARM 3.625% , 1 pt.

Average and Median Sold 12 Year Summary



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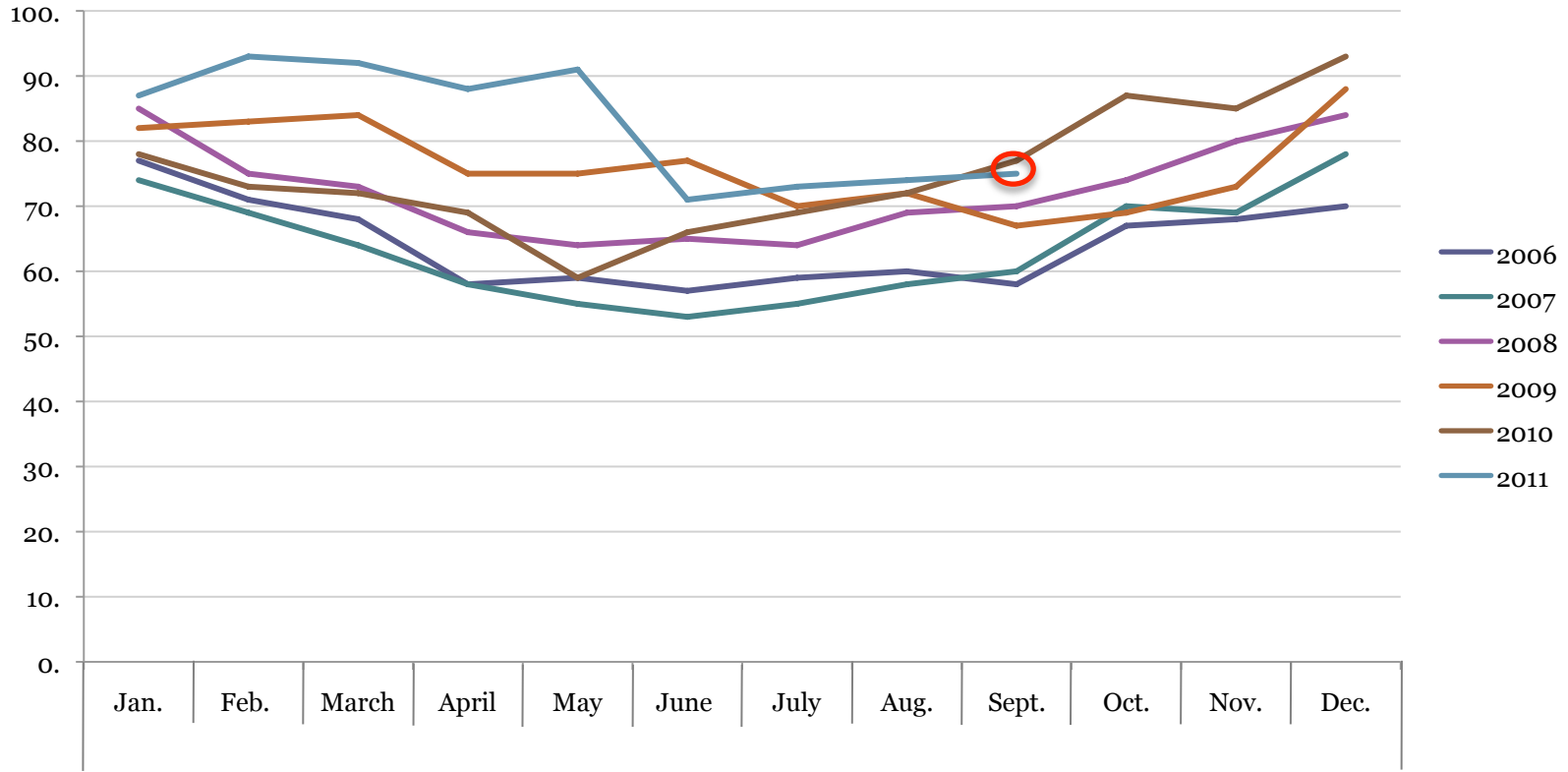
The chart above follows the trend of average and median sales price per year. Last month the average sales price was **\$258,154**. The median sold price was **\$193,453** last month. The average sales price is **down 3%** and the median sales price is down **1.5%** from one year ago.



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.





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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.