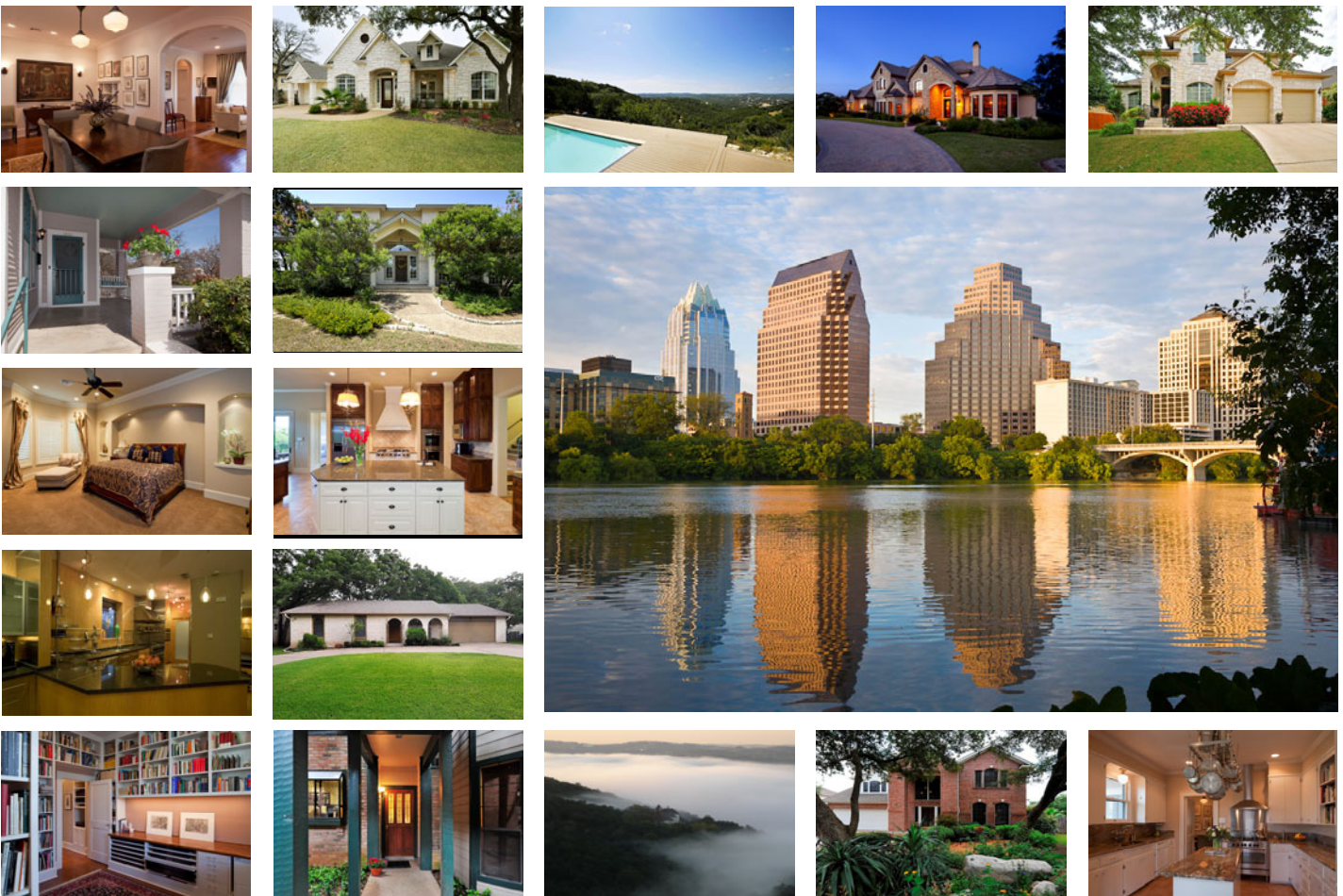


# June 2011 - Advanced Austin Real Estate Market Report



Volume III, Issue VI



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

**[www.WestAustinMarketplace.com](http://www.WestAustinMarketplace.com)**



June, 2011

Dear Clients, Colleagues and Peers,

**Why is the Austin market so strong compared to the rest of the country? Simply stated:**

Home prices over the last three years have not dropped substantially compared to other markets.

- For homes under \$700,000, **95% of our market**, prices have stabilized or are starting to increase in value.
- Fewer Austin home owners have home loans exceeding their homes' value (underwater). Austin foreclosures are at 40% of the national average.
- Unemployment, forcing people to sell, is 30% below the national average.
- Inventory is at a **four year low**, dropping 3% in the last month.
- Pending sale numbers are at a four year high.
- The strength of the market is widespread, with 10 out of 14 areas being "Normal Sellers Markets" having less than 6 months of inventory, with major shifts in the market in Dripping Springs, East Austin, Central Austin and Georgetown
- Three zip codes: **78703, 78739 and 78749** in west and southwest Austin have less than 3 months of inventory and are defined as an "Extreme Seller's Market".
- Expect June sales to be strong.

As our Market Report charts show, there is significant differences in zip codes, areas of town and price bands, however very generally the market for buyers and sellers look like this:

For most buyers several factors are significant; the most important is that interest rates are at historical lows. Values have stabilized with the price of some homes slowly increasing in value. Rent rates are expected to continue to climb. The **rental occupancy rate is at 98%**, driving renters into the housing market. It is possible that distressed properties will continue to enter the market, however the numbers will be low. For **buyers** of property **over** \$700,000 there is still **significant pressure** for homeowners to lower their list price, especially when the home is located away from downtown where demand is less.

For **sellers** of property **under** \$700,000 **values have stabilized**, however the current value of these homes is generally lower than it was two years ago. You can hold out and wait for the slow increase in values if you have that luxury of time. The significant unknown is when (not if) interest rates will increase. As interest rates go up, fewer buyers qualify for loans and the demand decreases.

For **sellers** of property **over** \$700,000 deciding to sell depends on the quality/uniqueness/location of the property. For this price band and higher, it remains a **"price war and a beauty contest"** and positioning the home for sales requires great care and knowledge of the market.

For the team at West Austin Properties it has been a very busy Spring and beginning of Summer. There is no doubt Austin is a unique and wonderful place to live. We always welcome comments regarding any of our Market Report statistics and to discuss the market conditions in any specific area of Austin.

*Laura Duggan, Katy Duggan and Gail Boston*



# 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 April**  
1,754 Homes Sold  
1% Higher than 2009

3 straight months higher than 2009. 

② **Homes for Sale**   
9,659 Homes **FOR SALE**  
13% decrease from last year

③ **Pending Home Sales**   
3,035 Homes Under Contract  
**Highest in four years**

**Month's of Inventory**  
5.50 Month's of Inventory

This is considered a **Normal Sellers Market.**

⑤ **Market Inventories in different Price Ranges**


**Below \$300K = Normal Sellers Market** 

**\$300K-\$700K = Balanced Market** 


**\$700K & Up = Extreme Buyer's Market** 

Top selling **Regions** = Southwest, Southeast and Northwest Austin. Top selling **Zip Codes** = 78703, 78739, 78749 ⑥ ⑦

⑧ **Average Price**

**\$251,867** average price of homes.   
2% increase over last year.


**Median Price**

**\$190,500** median price of homes.   
1.6% decrease over last year.

⑥ **Days on Market**

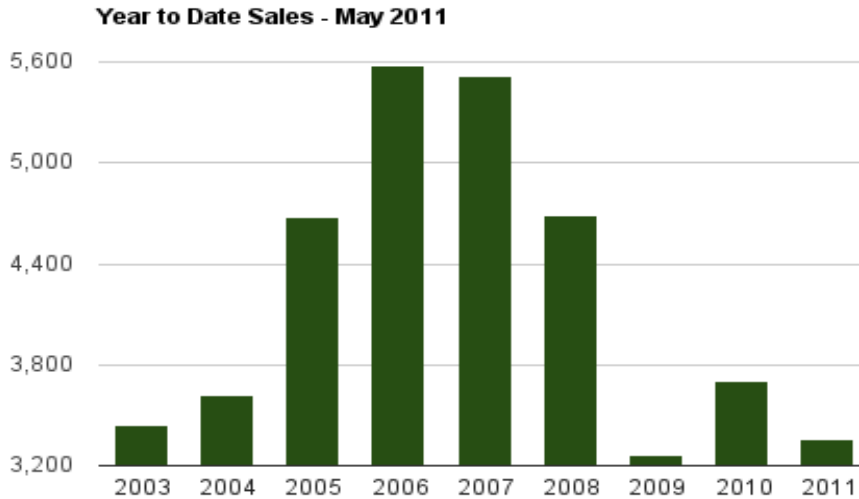
**83 Days—Average Days on Market** 

54% increase from last year.

Austin foreclosure sales have fallen  **32%** from last year and now represent only **11%** of total homes sales in first quarter. The national average was **27.3%**.

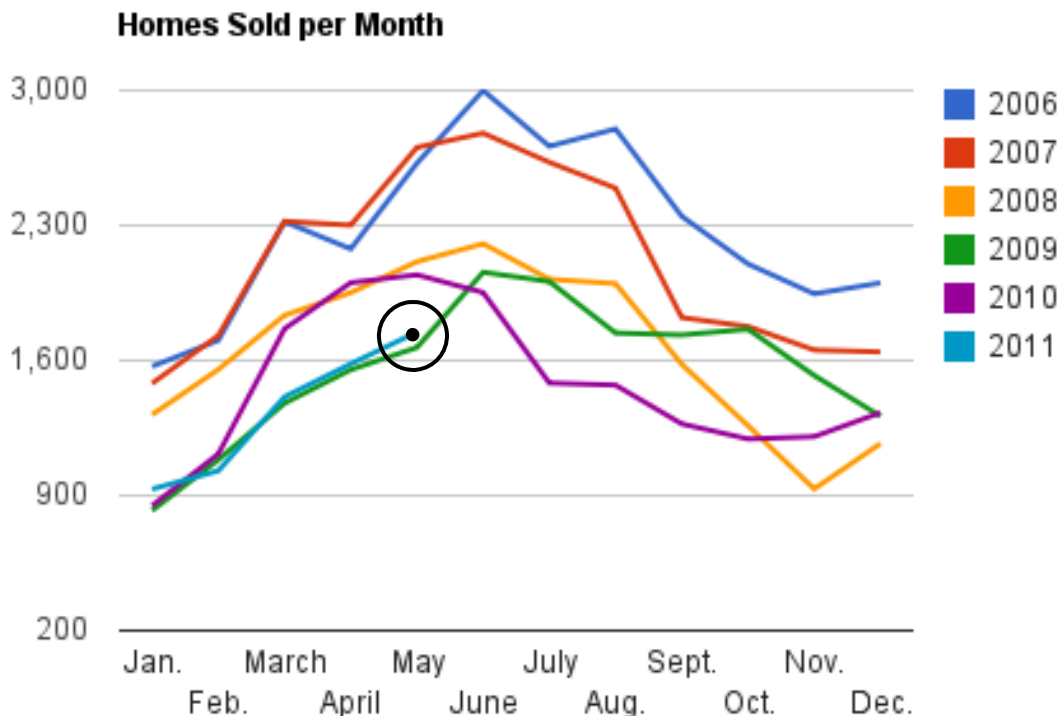
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Year to date sales in Austin are down 13% from last year. However, last year was impacted by the first time homebuyer tax incentive. Sales for the year are 3% higher than two years ago.



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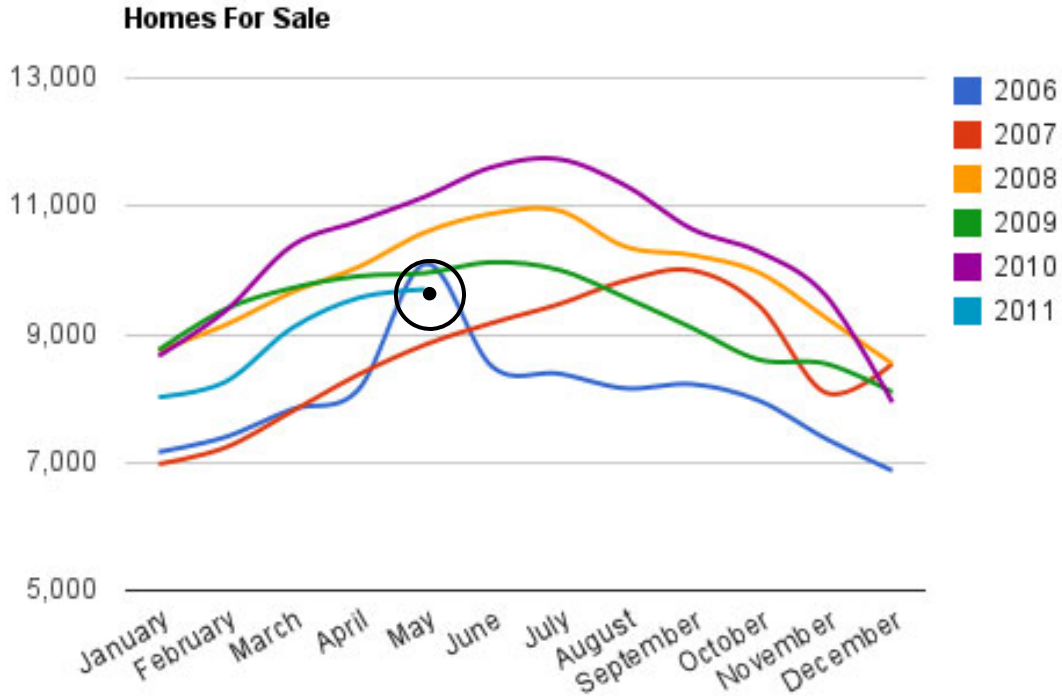
The below chart follows the trends of number of sold homes during any given month. **May sales are down by 21% from May of last year** (B/c of the tax credit). The good news is they are 1% higher than 2009. The market is starting to experience increase sales.





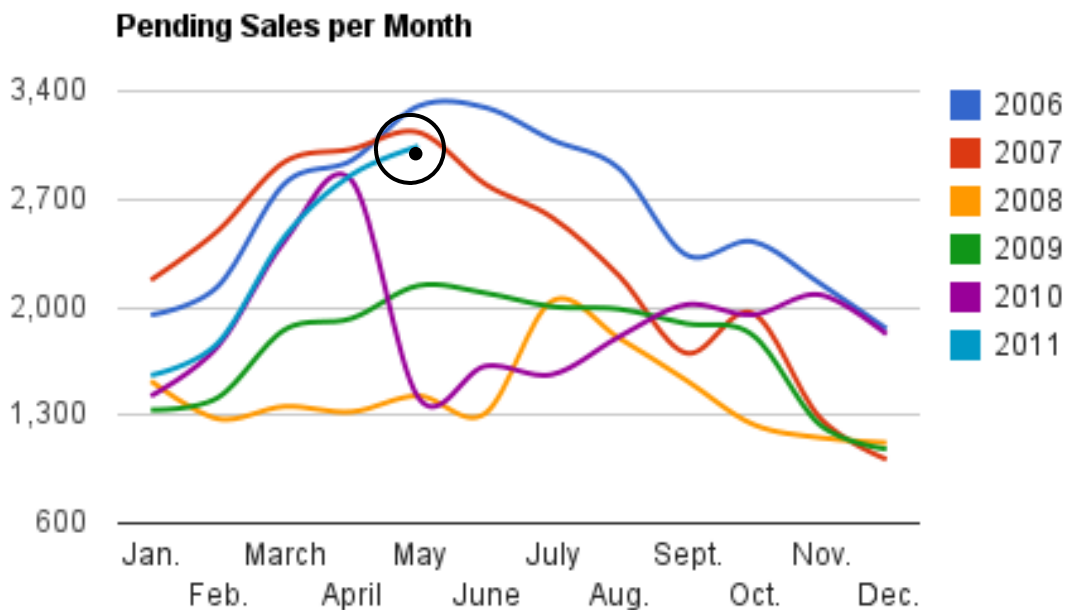
3

The below chart follows the trends of number of homes for sale during any given month. Last month there were **9,650** homes for sale Austin, Texas. This is **13% less** homes on the market than this month last year.



4

The below chart 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 **2,035** homes Pending in Austin, Texas. This is **higher** than 2010 and 2009 and more than **twice as high** as 2008. **It is still a very good sign that sales are picking up.**



5

May 2011 Homes Sales by Price Band				
Price Range	# of Solds	Active Listings	Month's of Inventory	Market
\$0-\$100K	144	602	4.18	Normal Sellers Market
\$100-\$200K	725	3,371	4.65	Normal Sellers Market
\$200-\$300K	403	2,082	5.17	Normal Sellers Market
\$300-\$400K	186	1,167	6.27	Balanced Market
\$400-\$500K	109	683	6.27	Balanced Market
\$500-\$600K	69	429	6.22	Balanced Market
\$600-\$700K	27	255	9.44	Normal Buyers Market
\$700-\$800K	17	207	12.18	Extreme Buyer's Market
\$800-\$900K	9	148	16.44	Extreme Buyers Market
\$900-\$1M	9	118	13.11	Extreme Buyers Market
\$1-\$2M	22	405	18.41	Extreme Buyer's Market
\$2-\$3M	4	91	22.75	Extreme Buyer's Market
\$3M<	30	92	15.50	Extreme Buyer's Market
<b>Overall MKT</b>	<b>1,754</b>	<b>9,650</b>	<b>5.50</b>	<b>Normal Sellers Market</b>
12+ months of inventory		Extreme Buyer's Market		High depreciation
9-12 month of inventory		Normal Buyer's Market		Moderation 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

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

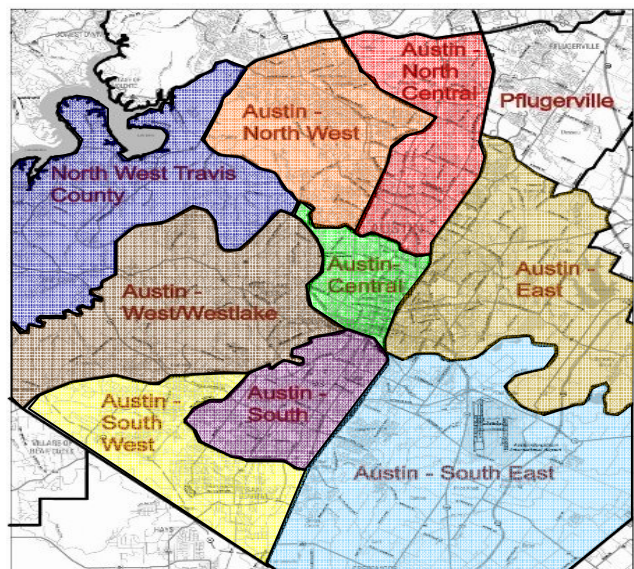
The under \$300K price range is a **Normal Seller's Market**, while the \$300K to \$700K price range is a **Balanced Market**. The over \$700K price range is an **Extreme Buyer's Market**.



May 2011 Homes Sales by Region					
Region	# of Solds	Active Listings	Month's of Inventory	Med Sell Price	Avg. DOM
Central Austin	126	341	2.71	\$344,950	39
East Austin	89	456	5.12	\$140,000	58
North Central Austin	74	313	4.23	\$206,500	33
Northwest Austin	118	428	3.63	\$317,000	23
South Austin	115	424	3.69	\$205,000	34
Southeast Austin	47	236	5.02	\$110,000	43
Southwest Austin	111	352	3.17	\$245,000	26
West Austin/Westlake	68	432	6.35	\$569,500	27
Northwest Travis Co.	145	1230	8.48	\$374,900	50
Cedar Park/Leander	148	746	5.04	\$171,900	39
Georgetown	92	631	6.86	\$192,000	55
Pflugerville	94	502	5.34	\$150,693	39
Round Rock	207	870	4.20	\$185,000	50
Dripping Springs/Wimberley	61	433	7.10	\$289,990	83
12+ months of inventory		Extreme Buyer's Market		High depreciation	
9-12 month of inventory		Normal Buyer's Market		Moderation depretiation	
6-9 months of inventory		Balanced Market		Flat to moderate depreciation	
3-6 months of inventory		Normal Seller's Market		Moderate appreciation	
0-3 months of inventory		Extreme Seller's Market		High appreciation	

Sales by Region

The above chart provides detail of how well each region of Austin and the surrounding cities are selling. The **Southwest, Central and Northwest** regions continues to outperform the rest of the market. The demand is driven by a great location, schools and low cost of ownership.



May 2011 Homes Sales by Zip Code					
Zip Code	# of Solds	Active Listings	Month's Inventory	Med Sales Price	Avg. DOM
78701*	22	97	4.41	\$316,500	34
78703	41	121	2.95	\$364,900	55
78704	46	149	3.24	\$303,000	47
78705	3	32	10.67	\$478,000	57
78717	29	130	4.48	\$227,000	39
78727	23	95	4.13	\$218,000	34
78730	18	87	4.83	\$493,750	58
78731	24	140	5.83	\$456,250	26
78732	30	163	5.43	\$419,050	37
78733	10	93	9.30	\$582,500	48
78734	36	289	8.03	\$328,050	29
78735	15	99	6.60	\$373,500	44
78739	34	85	2.50	\$300,000	15
78746	43	212	4.93	\$635,000	16
78749	48	101	2.10	\$234,700	20
78750	24	100	4.17	\$345,000	15
78759	34	120	3.53	\$323,600	27

\* includes condo sales

12+ months of inventory	Extreme Buyer's Market	High depreciation
9-12 month of inventory	Normal Buyer's Market	Moderation depretiation
6-9 months of inventory	Balanced Market	Flat or Moderate depreciation
3-6 months of inventory	Normal Seller's Market	Moderate appreciation
3 months of inventory	Extreme Seller's Market	High appreciation

### Sales by Zip Code

The above chart provides detail of how well each Zip Code of Austin are selling.

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

#### Central Austin

78701  
78703  
78704  
78705  
78731

#### Northwest Austin

78717  
78727  
78750  
78759

#### Northwest Travis Co.

78730  
78732  
78734

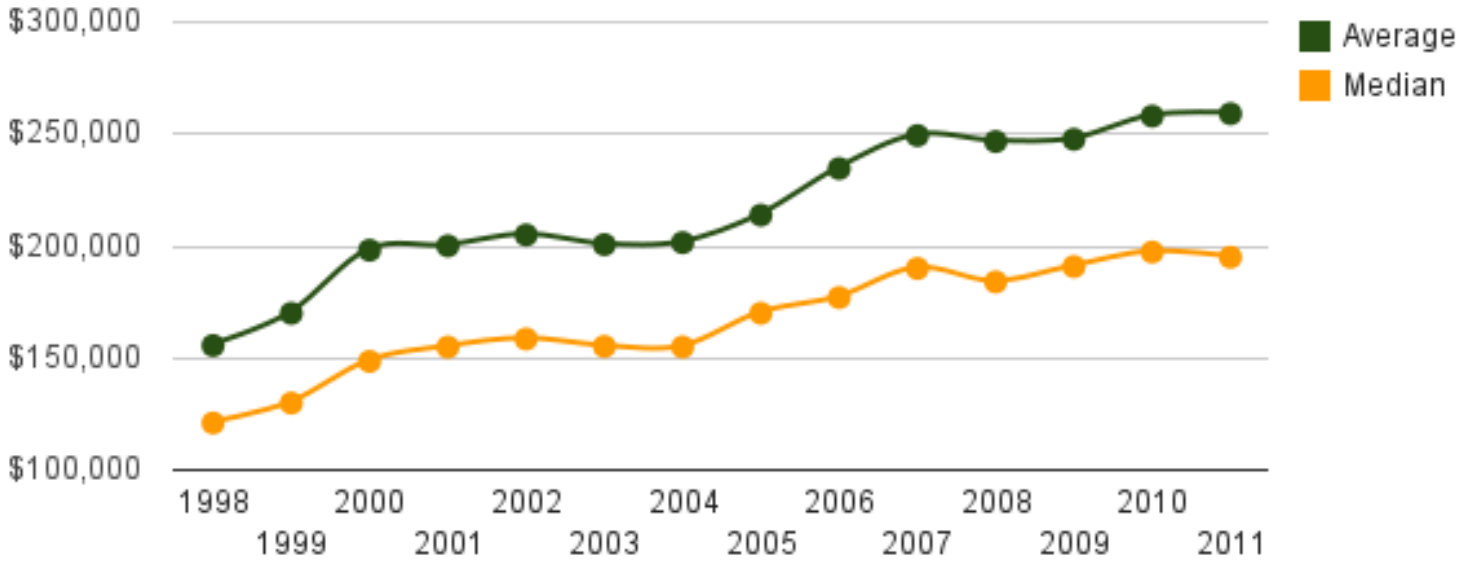
#### Southwest Austin

78739  
78749

#### West Austin/Westlake

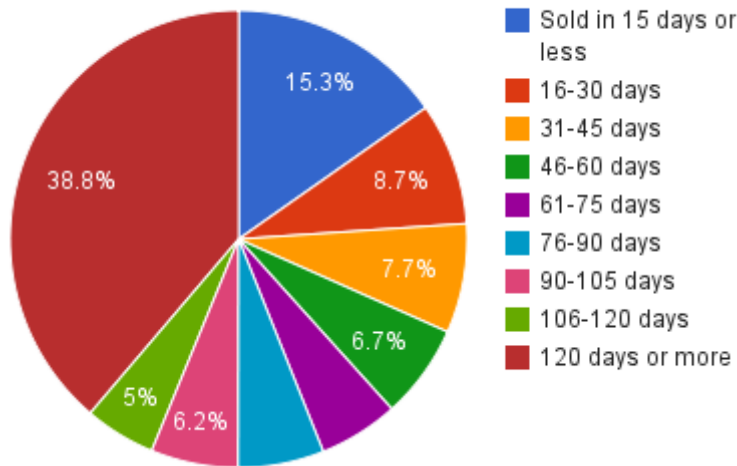
78733  
78735  
78746

**Average and Median Solds 12 Year Summary**



The chart above follows the trend of average and median sales price per year. Last month the average sales price was **\$251,867**. The median sold price was **\$190,500** last month. The average sales price is **up 2%** and the median sales price is **down 1.6%**.

**Home Sold 1st Quarter 2011 - Days on Market**

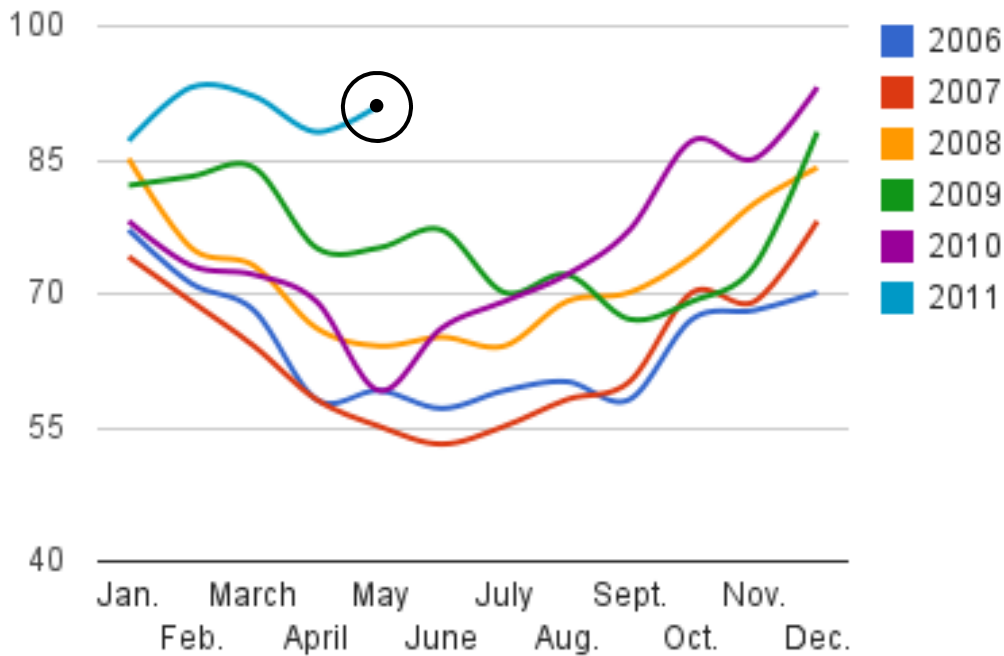


Sales are on the rise. Not only that, homes are selling faster. This chart compares sales for the first three months of the year to homes currently under contract. There was a **7.3% increase** in the number of homes that went under contract in 15 days or less. The trend continues through the rest of the home sales as well. This is a **HUGE SHIFT** in the market. Consumer confidence is up, rates are low and the market is responding.



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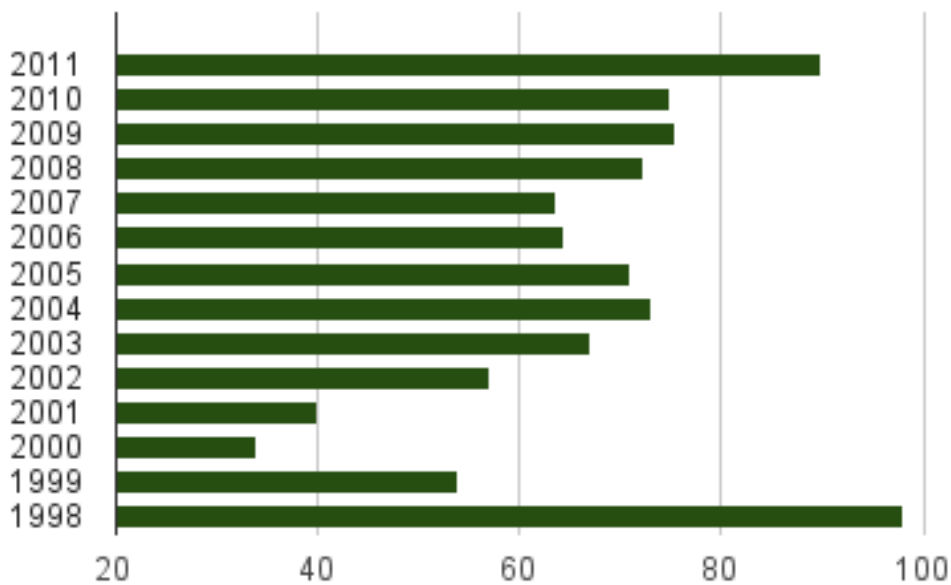
### Average Days on Market 2003-2010



These two charts track average amount of days it takes to sell a home in Austin. Last month, it took **82 days** on average to sell. This is a **18.8% longer** than this time last year.

Average days on market is at a 12 year high. Buyers are taking longer and longer to come to a buying decision and seller's are taking longer and longer to get their home priced right in the market.

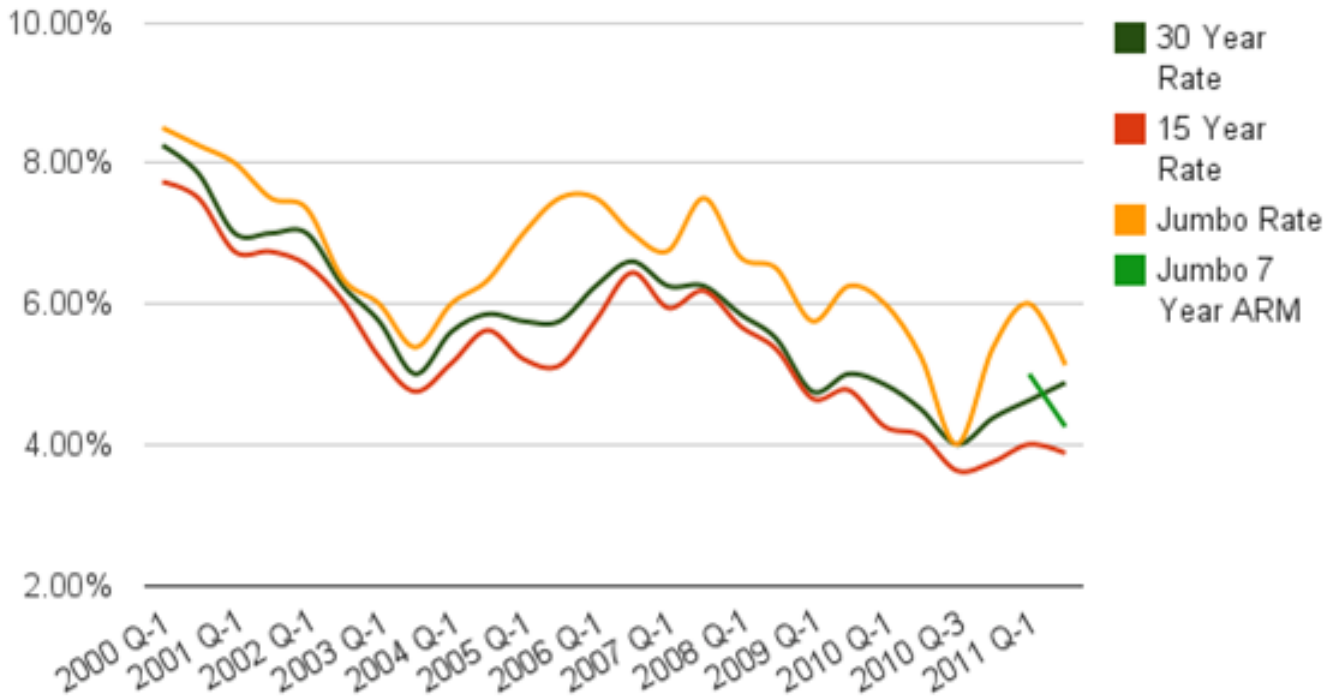
### Average Days on Market 13 Year Summary





# WEST AUSTIN PROPERTIES

## Mortgage Rates - 11 Year Summary



The above chart tracks mortgage rates for the past 11 years. As you can see, mortgage rates are ticking back up a little.

### CONFORMING

30 Yr Fixed 4.75%, 1/2 pt.  
15 Yr Fixed 3.875%, 1 pt.

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

30 Yr Fixed 5.125, 1 pt.  
7 Yr ARM 4.25%, 1 pt.

West Austin Properties can provide you with a more specific analysis for either your home or your buying price range. Please contact us for more information.



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