



**WEST AUSTIN**  
**PROPERTIES**

# **November 2013 Austin Real Estate Market Report**

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

Volume V, Issue XI



## Market Overview



### Austin real estate market continuing at record levels

For the past nine continuous months the overall Austin real estate market has been a rare Extreme Sellers Market. How rare? In the prior 89 months, spanning 7 years, the Austin market has been in an Extreme Seller's Market only three months, and all three months were in 2006.

Demand remains strong as people continue to move to the Austin area. Demand is also increasing as current residents consider home ownership. They are concerned about raising interest rates, rising rental rates and rising homes values. Supply, the number of homes for sale, remains at record lows. There are fewer homes for sale in November than any time in the last 7 years. There are 13.5% fewer homes for sale than last year. As a result, the average home stays on the market only 42 days, 28.8% fewer days than a year ago and also the lowest number of days in October in the last 7 years.

The average home sold price in October remained steady and the median increase 24% from a year ago.

Homes priced below \$300,000, 49% of the Austin market, are in an Extreme to "Very" Extreme Sellers Market. Above \$1M homes are still in a Buyer's Market ( See enclosed Price Band Chart for market conditions at each Price Band and by Zip Code.)

As we look at the trends and market conditions we expect slow

changes in the market in coming months. Demand usually decreases for the next month, and we are seeing this pattern. Usually the number of homes for sale also decreases slightly until January, however, this year we are seeing a smaller than normal decrease in homes for sale.

It appears the Austin real estate market is starting to adjust from its extreme record levels if we look at three trends. The number of Pending have declined significantly, however still at record levels. Interest rates are slightly increasing. Average and medium homes prices have increased over 8% from a year ago. All of these factors can indicate a slowing market with fewer people eligible to buy. Even if the market is slightly slowing, this is still the strongest market in seven years. Prices in most Price Bands and areas will continue to increase. 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 the West Austin Properties Market Report with detailed information by price range and zip code helps you make the best decisions for you and your family. It is our pleasure to deliver it to you so together we can spot important trends.

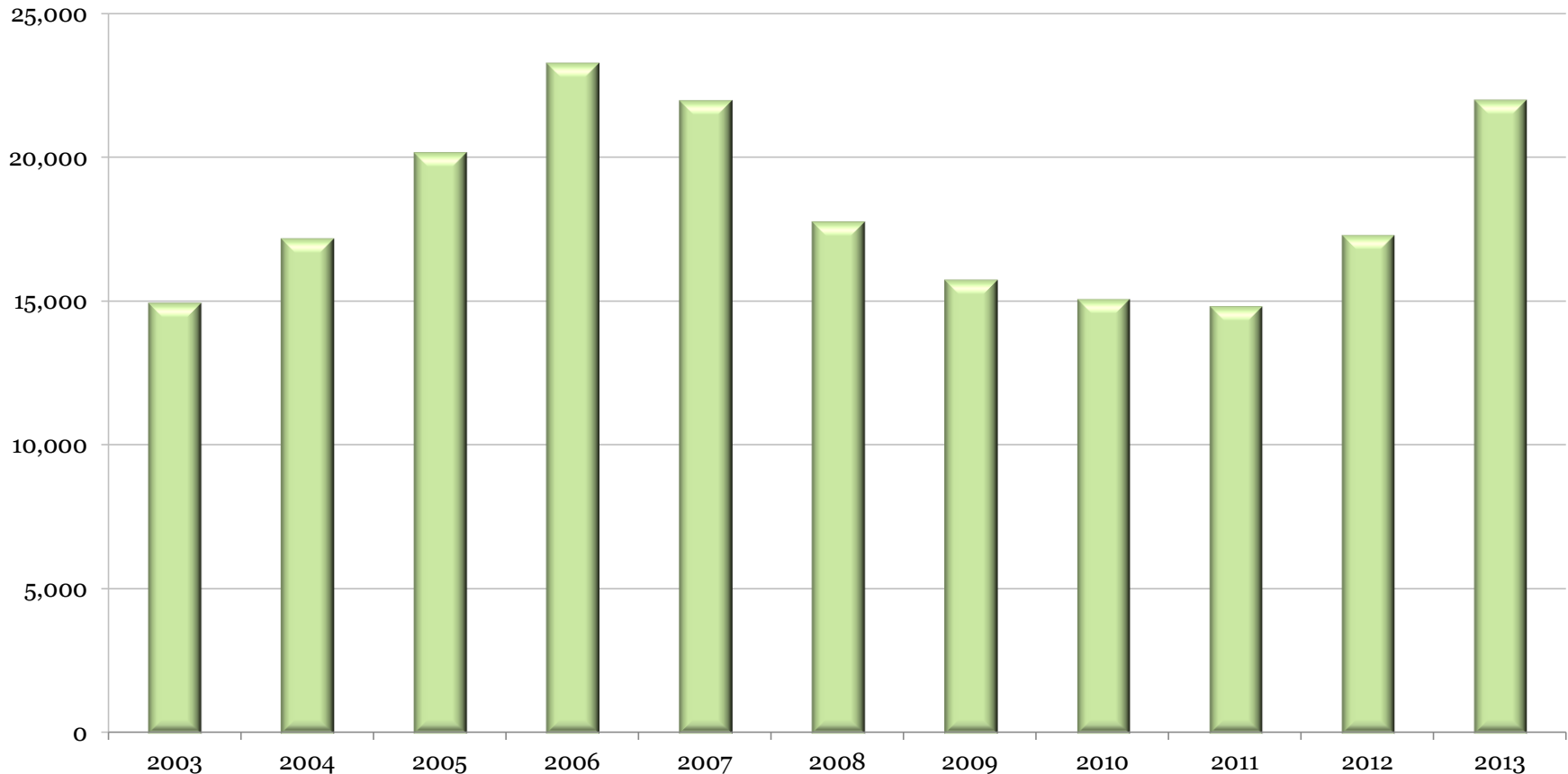
Please call us if we can provide you any additional information.

**Laura Duggan, Gail Boston and Katy Duggan Freshour**

# Year to Date Sales – October 2013

1

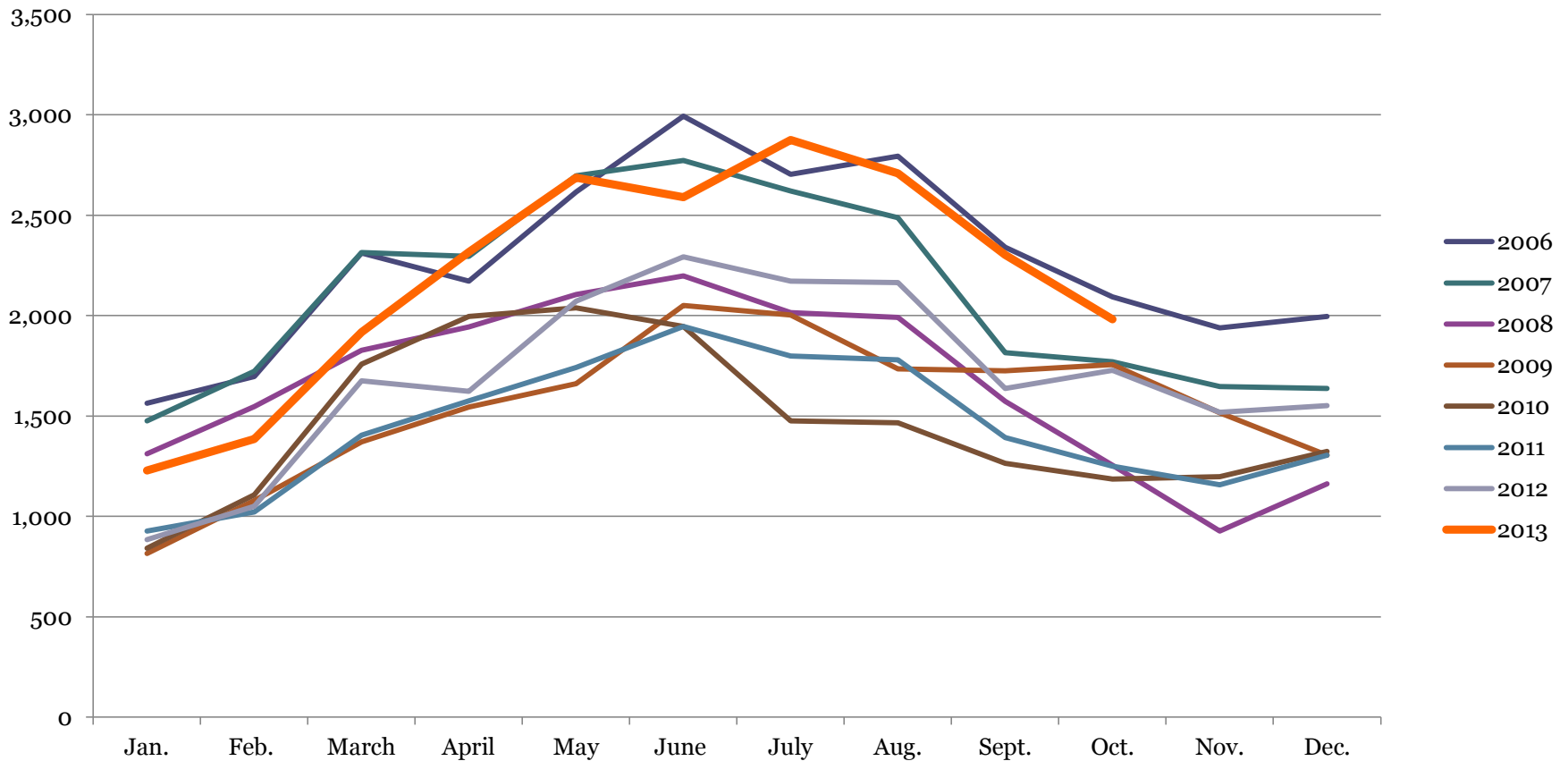
Year-to-date sales in Austin are higher than in the prior 6 years, showing increasing demand and an improving market.



# Homes Sold per Month – October 2013

2

The chart below follows the trends of numbers of homes sold during any given month. Last month there were 1,983 homes sold in Austin, Texas. More homes sold in October than in the prior 6 years during that month!



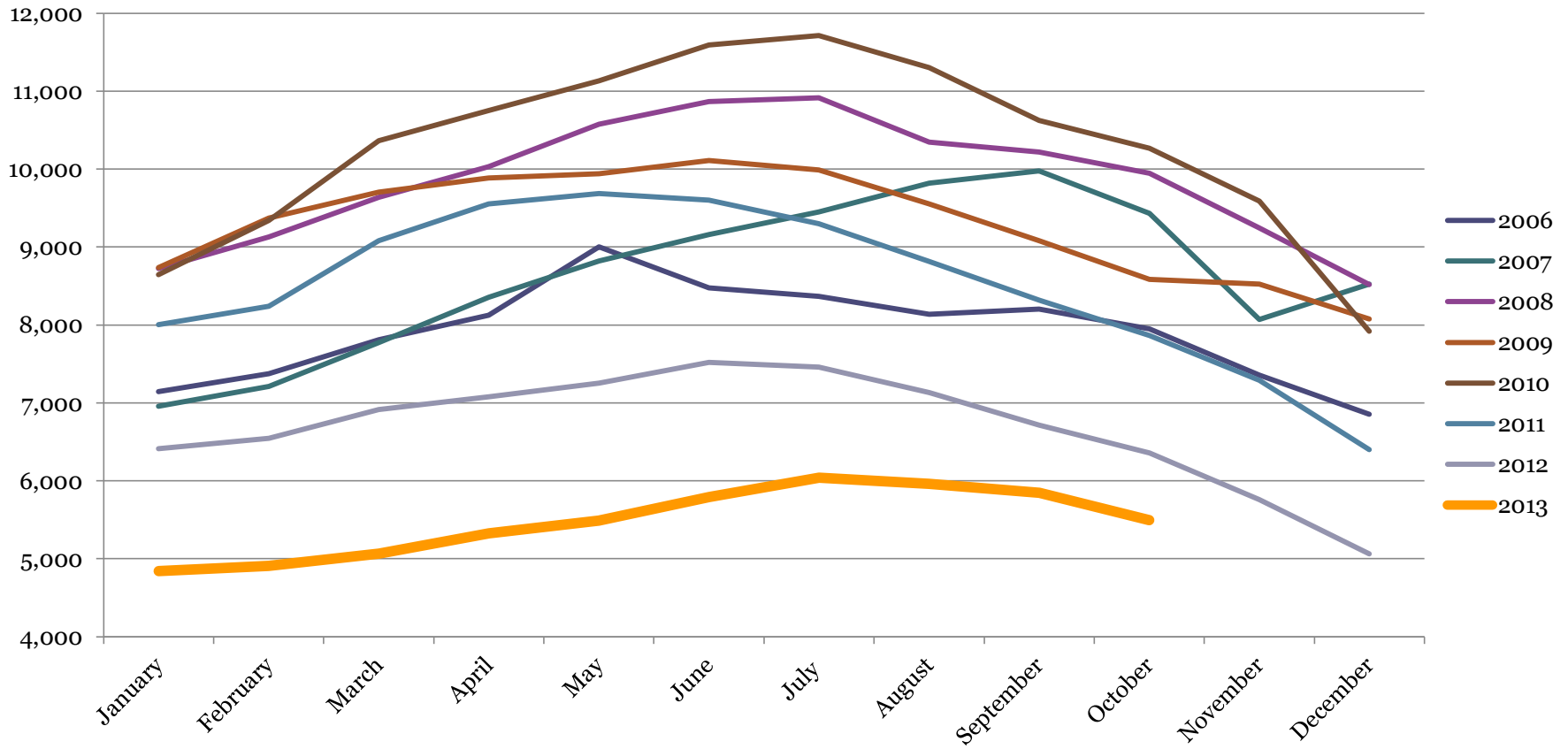
# Homes For Sale– November 2013



3

The chart below follows the trends of number of homes for sale during any given month. At the beginning of November, there were 5,497 homes for sale in Austin, Texas. There are fewer homes for sale at this time than in the last 7 years.

**There are 13.5% fewer homes for sale than last year at this time.**

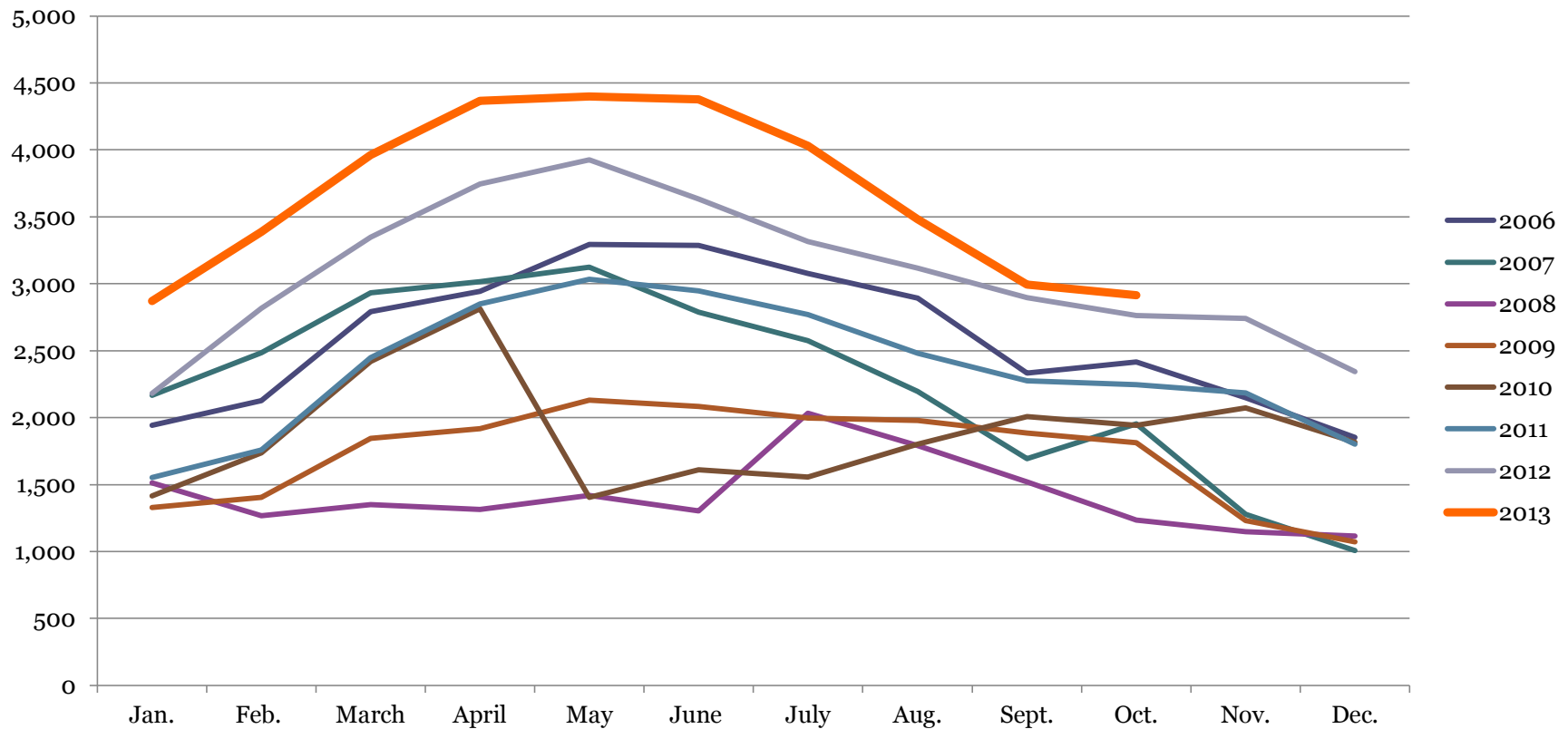


## Pending Sales per Month– November 2013



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 2,914 homes Pending in Austin, Texas. **This is the highest number of October pendings in the last 7 years.** Because of qualifying, mortgage and approval rates it is taking longer to go from contract to close.



# Home Sales by Price Band- October 2013

5 Overall we are in an Extreme Seller's Market with 2.77 months of inventory. On average, home prices are showing Moderate Appreciation. However, the Market is different based on demand and the number of homes for sale in each price range. Homes valued under \$600K are in a Normal or Extreme Seller's Market.

Price Range	# of Solds	Active Listings	Months of Inventory	Market
\$0-\$100k	85	212	2.49	Extreme Sellers Market
\$100-\$200k	793	1240	1.56	Extreme Sellers Market
\$200-\$300k	524	1240	2.37	Extreme Sellers Market
\$300-\$400k	244	806	3.30	Normal Sellers Market
\$400k-\$500k	153	594	3.88	Normal Seller's Market
\$500-\$600k	78	328	4.21	Normal Seller's Market
\$600-\$700k	33	254	7.70	Balanced Market
\$700-\$800k	25	182	7.28	Balanced Market
\$800-\$900k	7	107	15.29	Extreme Buyer's Market
\$900-\$1M	12	81	6.75	Balanced Market
\$1-\$2M	20	287	14.35	Extreme Buyer's Market
\$2-\$3M	6	82	13.67	Extreme Buyer's Market
\$3M<	1	83	83.00	Extreme Buyer's Market
Overall MKT	1981	5496	2.77	Extreme Sellers 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 Sellers Market		High Appreciation

# Home Sales by Zip Code- October 2013



7 The chart below provides details on how well each Zip Code is currently selling and the impact on home values. 12 out of 19 zip codes have less than 3 months of inventory and are defined as in an Extreme Seller's Market.

Zip Code	# of Solds	Active Listings	Months of Inventory	Median Sales price	Avg DOM
78701	23	65	2.83	\$435,000	73
78702	24	56	2.33	\$296,438	18
78703	24	58	2.42	\$654,000	60
78704	29	64	2.21	\$520,000	24
78705	2	9	4.50	\$418,000	55
78717	37	53	1.43	\$294,000	22
78722	5	6	1.20	\$260,000	6
78727	30	24	0.80	\$225,000	22
78730	9	37	4.11	\$820,000	58
78731	25	58	2.32	\$500,000	49
78732	26	86	3.31	\$415,250	55
78733	8	32	4.00	\$689,800	23
78734	26	219	8.42	\$341,250	71
78735	8	54	6.75	\$409,500	26
78739	22	36	1.64	\$383,350	46
78746	29	121	4.17	\$739,840	85
78749	29	31	1.07	\$298,000	20
78750	28	30	1.07	\$365,500	35
78759	23	65	2.83	\$435,000	73
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 Sellers Market		High Appreciation		

### Central Austin

78701  
78703  
78704  
78705  
78722  
78731

### Northwest Travis Co.

78730  
78732  
78734

### Southwest Austin

78739  
78749

### Northwest Austin

78717  
78727  
78750  
78759

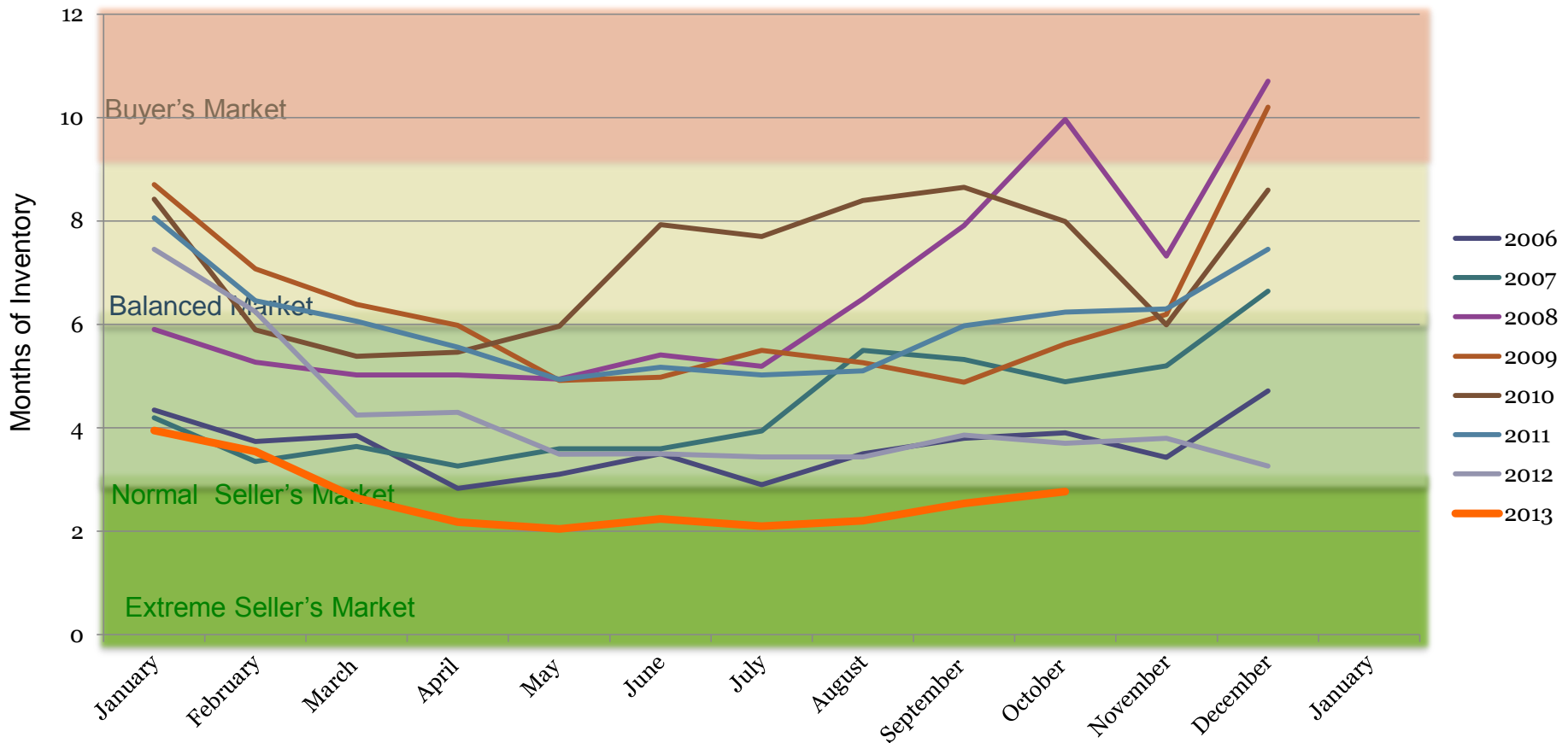
### West Austin/Westlake

78733  
78735  
78746



# Absorption Rate: Months of Inventory in Austin 2006-2013

The **Absorption Rate**, also called “Months of Inventory,” is the best indicator of how fast or slow home values are moving up or down. The formula is the number of homes on the market divided by the number of homes sold in the prior month. With 6 to 9 months of inventory, the market is called **Balanced**, and home values remain stable with slight decreases or increases possible. Below 6 months is called a Seller’s Market, as home prices slightly increase due to demand.



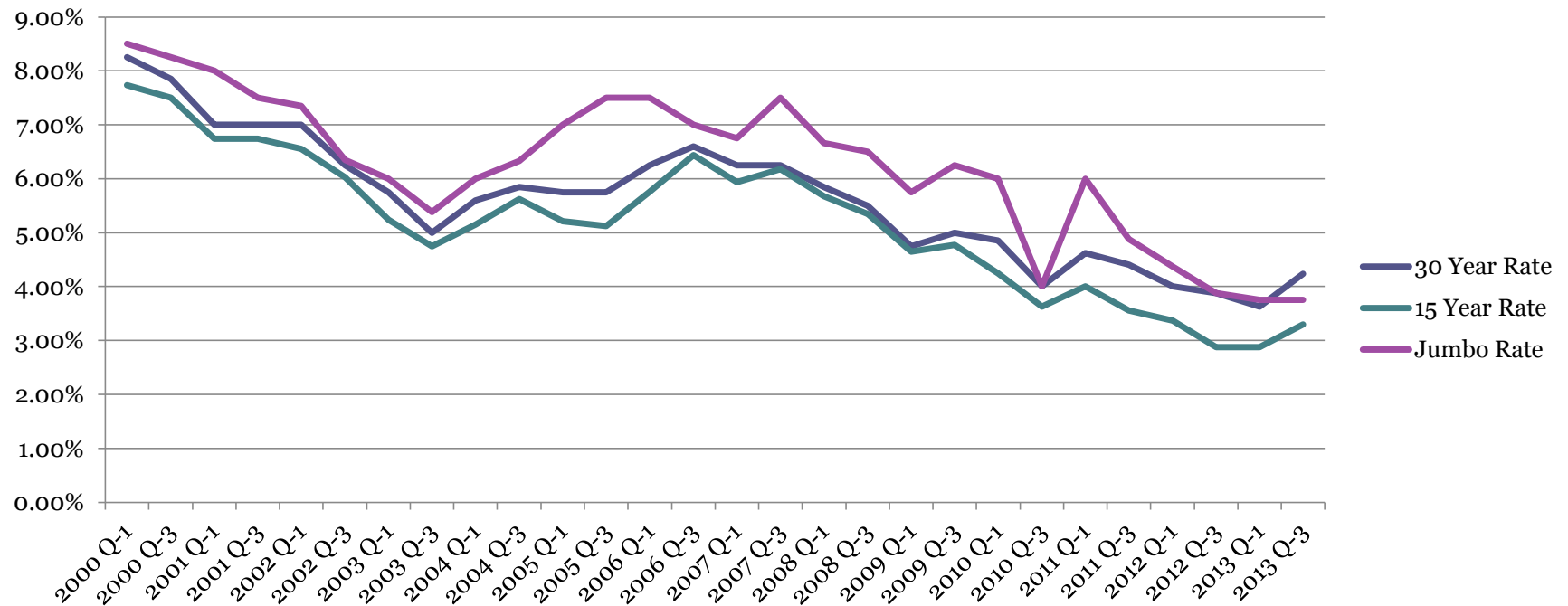
# Mortgage Rates - 13 Year Summary

We monitor interest rates because they directly affect buying power. The higher the rate, the more it costs for a buyer to buy. When interest rates rise, it has the same effect as a seller raising his price and fewer homes sell because mortgage payments are higher. Conversely, when rates decrease more buyers qualify to purchase and home sales usually increase. The chart below tracks mortgage rates for the past 12 years. As you can see, mortgage rates are at close to their lowest levels.

### Current Rates

Conforming 30 yr: 4.24%  
Conforming 15 yr: 3.30%

Jumbo\* 30 yr: 3.75%  
\*(over \$417K loan amount)



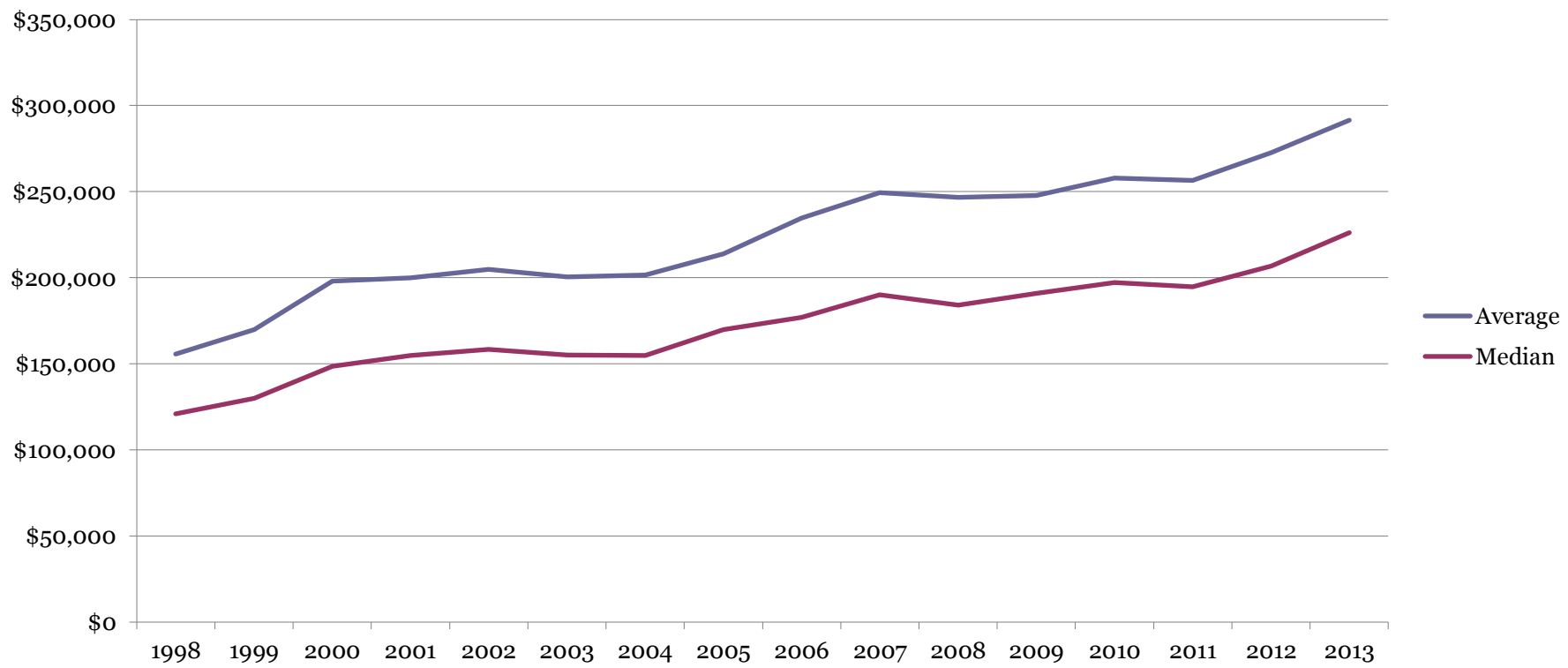
# Average and Median Sold 15 Year Summary



8

The chart above follows the trend of average and median sales price per year. Last month the average sales price was \$281,532. The median sold price was \$250,000 last month. The average sales price in October is down 0.3% and the median sales price is up 23.8% from one year ago.

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

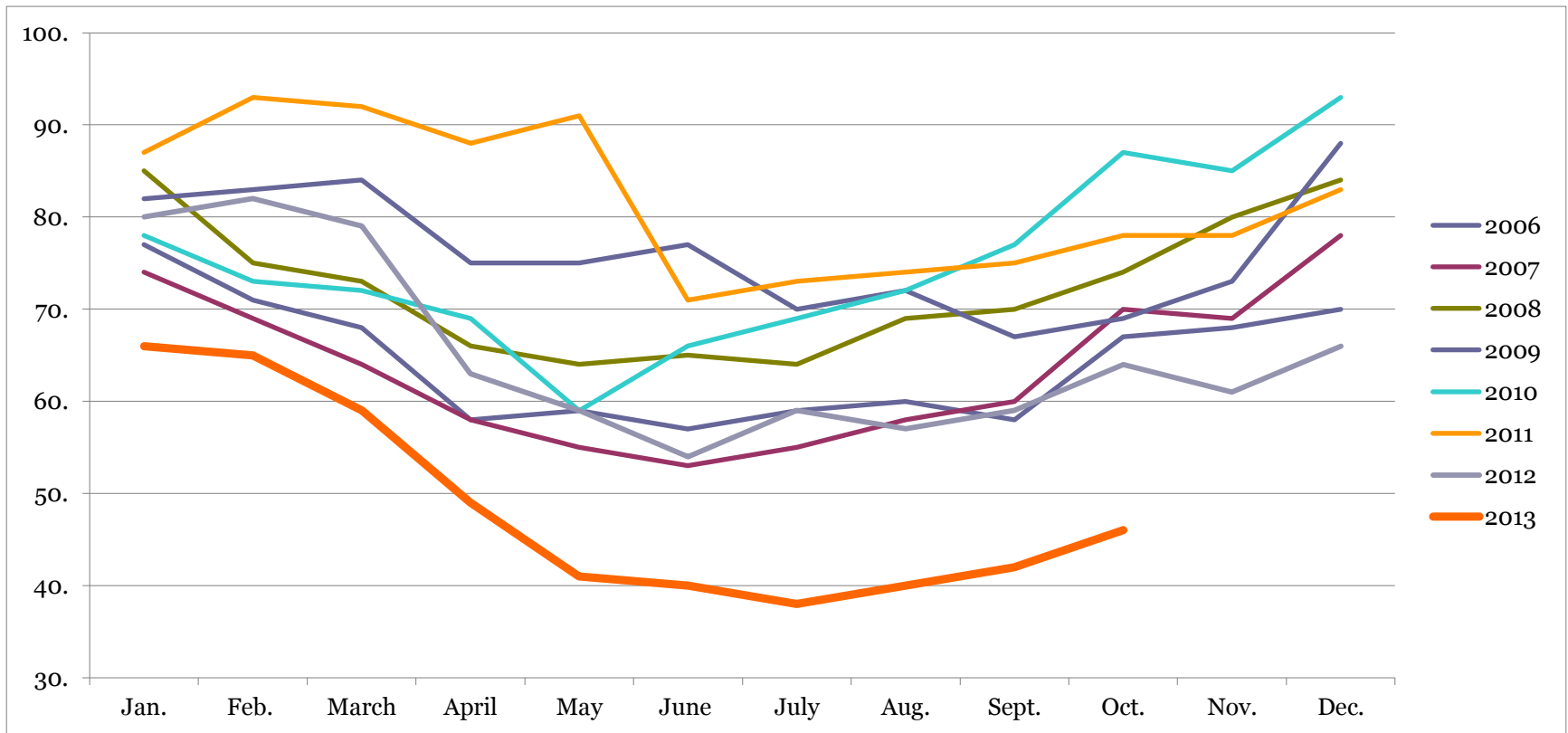


# Average Days on Market 2006-2013



9

Of the homes that sold last month, the average amount of days they had been on the market was 46 days. This is 28.1% fewer days than a year ago.




**Laura Duggan,**
**Broker/Owner**

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

*Direct: (512) 750-2425*
*Email: [laura@westaustin.com](mailto:laura@westaustin.com)*

**Gail Boston,**
**Partner**

REALTOR® ABR, E-PRo

*Direct: (512) 626-5348*
*Email: [gail@westaustin.com](mailto:gail@westaustin.com)*

**Katy Duggan-  
Freshour,**

REALTOR® CIAS, CDPE

*Direct: (512) 826-4316*
*Email: [katy@westaustin.com](mailto: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.