



WEST AUSTIN
PROPERTIES

September 2014 Austin Real Estate Market Report

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

Volume 9, Issue IX



Market Overview



Overview: In March of 2012, the overall Austin market began to move from a Normal to an Extreme Sellers Market resulting in high demand for the limited homes for sale resulting in rising home values. This market direction continued for almost 28 months. Two to three months ago, the Austin market began to slow, and home values began to stabilize overall. While the Austin market is still a Seller's Market overall, it is clear that the market is changing. Each Price Range and Zip Code have their own characteristics. For a more detailed analysis, see below.

Analysis:

While currently an overall Extreme Sellers Market, Months of Inventory in rising and getting closer to moving from Extreme to a Normal Sellers Market. In three months, Months of Inventory have moved from 2 month to 2.6 months. Overall it is now less of a Seller's Market than last year at this time.

- Very few homes are now for sale under \$100,000.
- There remains strong demand for homes prices from \$100,000 to \$400,000, and home values continue to slowly increase.
- Homes priced over \$700,000 are entering a Balanced Market, with over 6 Months on Inventory, that means home values are holding steady. However homes sellers are not currently seeing this market position/correction and many sellers expecting increasing home values have priced their homes above market.
- Last month for homes priced over \$2 Million, 6 homes sold out of 205.

In the last two months, Zip Codes that are in an Extreme Sellers Market have decreased from 15 to 11.

For the third month in a row, June through August, fewer homes sold

this year than sold last year. For the fourth month in a row, May through August, fewer homes are for sale than last year. For the last ten months in a row, from November to August, the number of Pendings have been lower than last year.

The Median price of a home in Austin has been continuing to rise for 28 straight months, since March 2012. However, for the last two months, the Medium price has fallen below the Median price of June 2014.

The Average price of a home in Austin has been continuing to rise for 29 straight months, since February 2012. However, for the last two months, the Average price has fallen below the Average price of June 2014.

The Average days a sold home was on the market was at its lowest level in six months from February to June of this year. During the last two months, July and August, Days on Market are higher than last year during the same two months.

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 Advance Market report with detailed information by price range, zip code and area help you make the best decision for you and your family. It is our pleasure to deliver it to you so together we can spot trends.

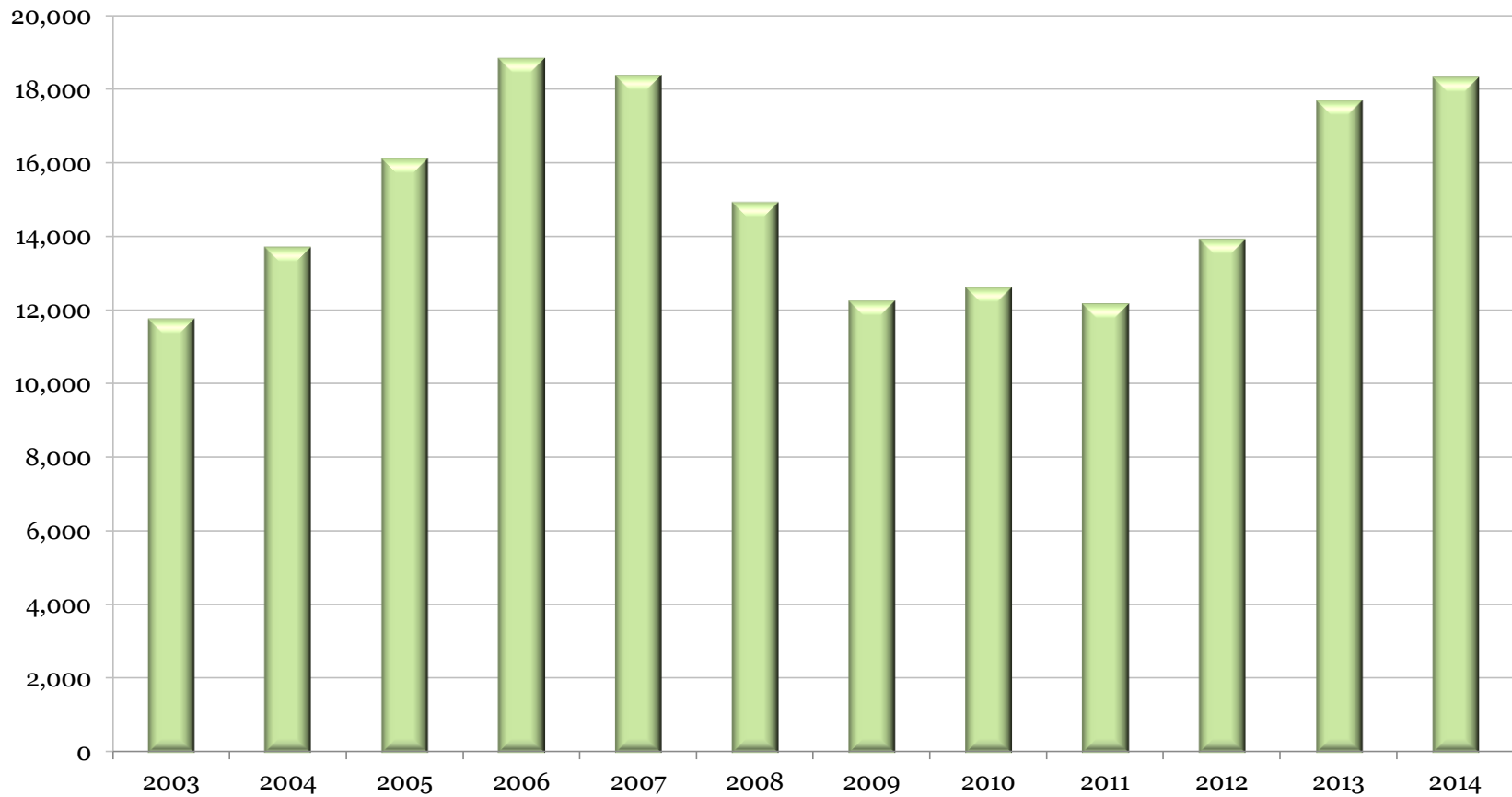
Please call us if we can provide you any additional information.

Laura Duggan, Gail Boston and Katy Duggan Freshour

Year to Date Sales – September 2014

1

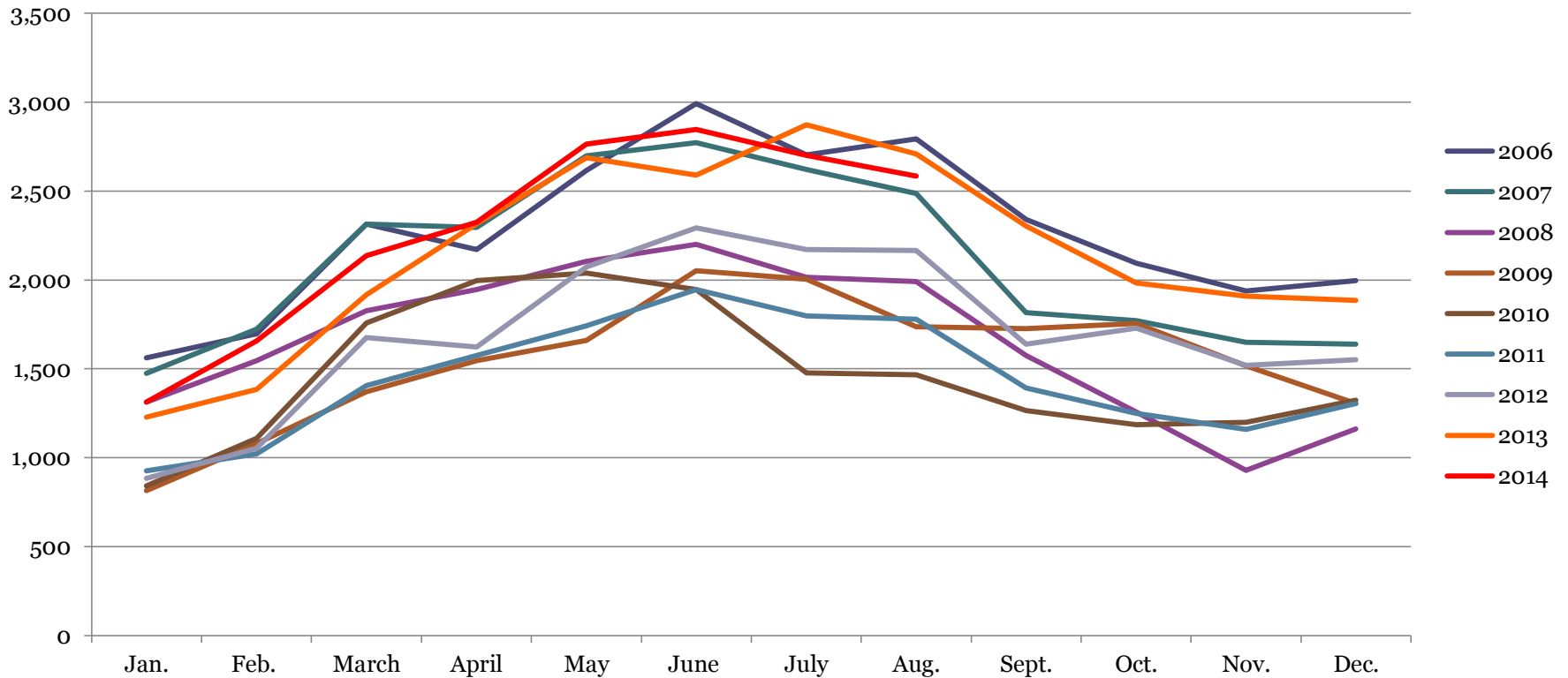
Year-to-date sales in Austin are higher than in the prior 6 years, showing increasing demand and an improving market.



Homes Sold per Month – August 2014

2

The chart below follows the trends of numbers of homes sold during any given month. Last month there were 2,584 homes sold in Austin, Texas. More homes sold in July than in six of the prior 7 years during that month!

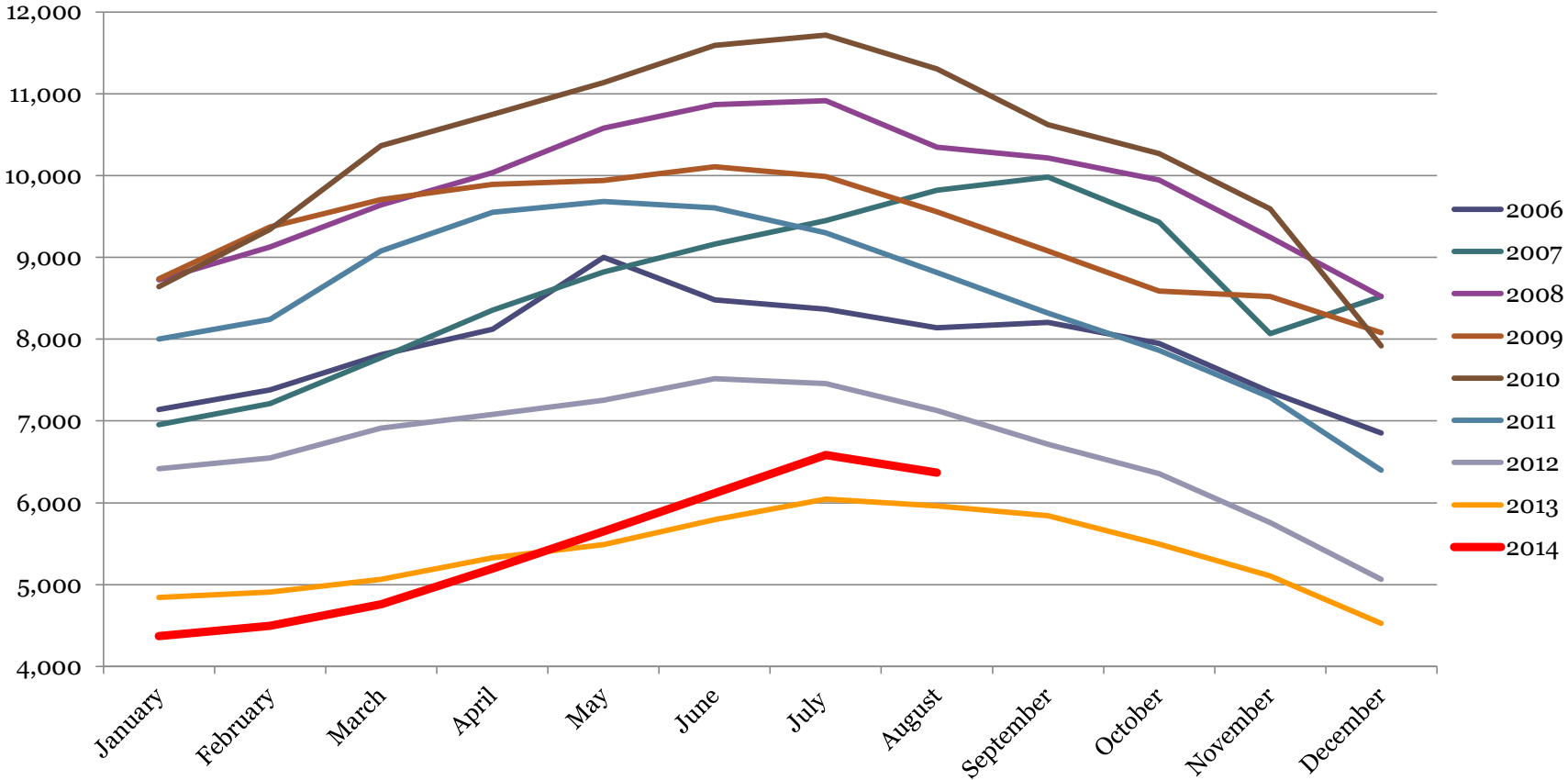


Homes For Sale – September 2014



3

The chart below follows the trends of the number of homes for sale during any given month. At the beginning of September, there were 6,367 homes for sale in Austin, Texas. **There are 6.36% more homes for sale than last year at this time.**

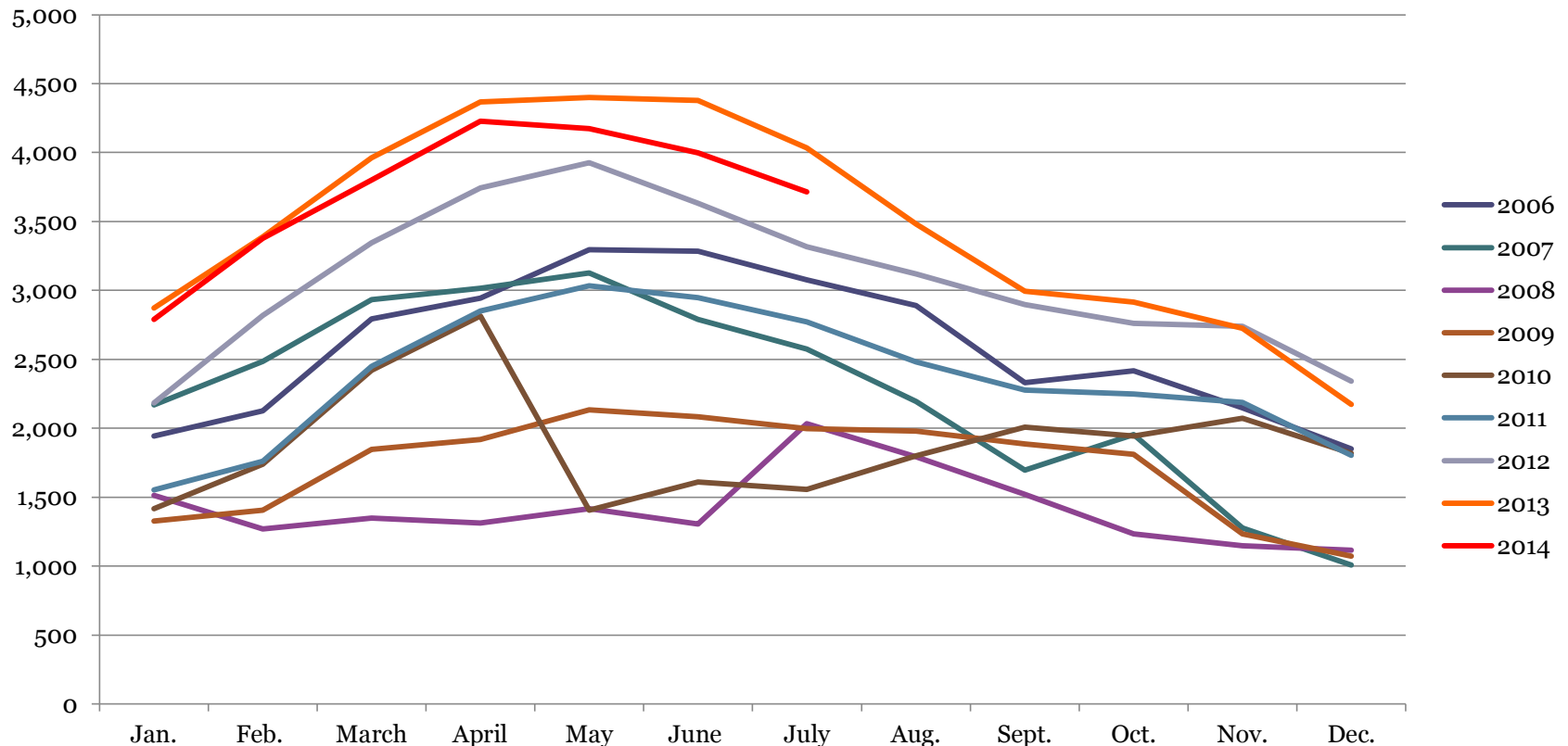


Pending Sales per Month– September 2014



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 3,332 homes Pending in Austin, Texas. **This is the second highest number of August 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- August 2014

Overall we are in an Extreme Normal Seller's Market with 2.57 months of inventory. On average, home prices are showing High Appreciation for the year. However, the Market is different based on demand and the number of homes for sale in each price range. Homes valued under \$700,000 are in a Normal or Extreme Seller's Market.

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Price Range	# of Solds	Active Listings	Months of Inventory	Market
\$0-\$100k	48	150	3.13	Normal Seller's Market
\$100-\$200k	831	1110	1.34	Extreme Sellers Market
\$200-\$300k	767	1687	2.20	Extreme Sellers Market
\$300-\$400k	425	1126	2.65	Extreme Sellers Market
\$400k-\$500k	200	756	3.78	Normal Seller's Market
\$500-\$600k	119	507	4.26	Normal Seller's Market
\$600-\$700k	67	308	4.60	Normal Seller's Market
\$700-\$800k	30	193	6.43	Balanced Market
\$800-\$900k	26	133	5.12	Normal Seller's Market
\$900-\$1M	14	108	7.71	Balanced Market
\$1-\$2M	43	335	7.79	Balanced Market
\$2-\$3M	5	115	23.00	Extreme Buyer's Market
\$3M<	3	86	60.00	Extreme Buyer's Market
Overall MKT	2578	6614	2.57	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- August 2014



7 The chart below provides details on how well each Zip Code is currently selling and the impact on home values. 11 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	19	48	2.53	\$450,000	27
78702	24	73	3.04	\$297,000	36
78703	16	54	3.38	\$907,500	45
78704	40	87	2.18	\$483,717	33
78705	3	6	2.00	\$422,500	32
78717	39	75	1.92	\$317,000	32
78722	7	14	2.00	\$312,500	33
78727	24	32	1.33	\$272,750	5
78730	12	45	3.75	\$798,500	51
78731	21	66	3.14	\$570,000	31
78732	48	114	2.38	\$454,700	41
78733	13	49	3.77	\$751,000	39
78734	52	236	4.54	\$365,000	63
78735	11	58	5.27	\$412,500	43
78739	26	68	2.62	\$456,925	28
78746	29	137	4.72	\$853,250	42
78749	46	69	1.50	\$313,500	16
78750	31	61	1.97	\$355,000	29
78759	35	54	1.54	\$440,825	15
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
78702
78703
78704
78705
78722
78731

Northwest Travis Co.

78730
78732
78734

Southwest Austin

78739
78749

Northwest Austin

78717
78727
78750
78759

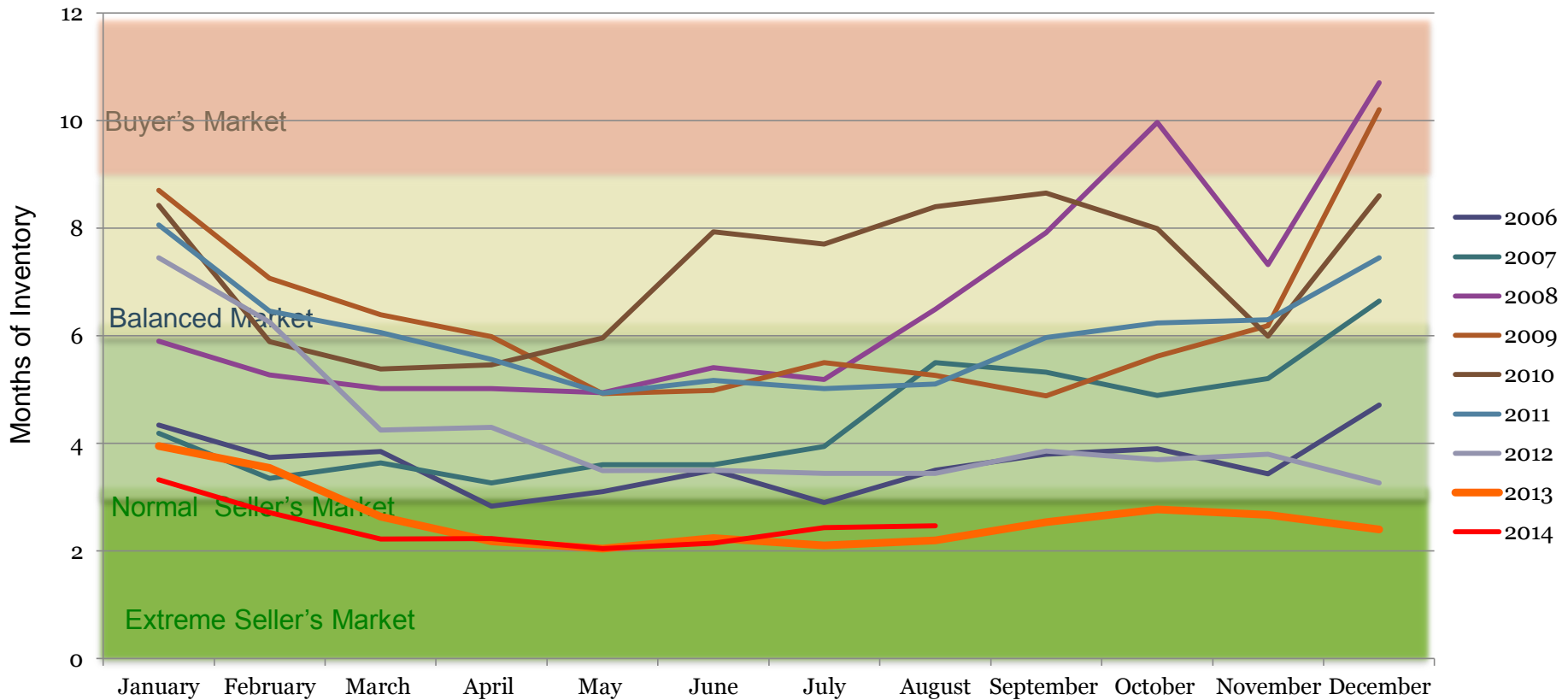
West Austin/Westlake

78733
78735
78746

Absorption Rate: Months of Inventory in Austin 2006-2014



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 - 14 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 14 years. As you can see, mortgage rates are at close to their lowest levels.

Current Rates

Conforming 30 yr: 4.19%
 Conforming 15 yr: 3.24%

Jumbo* 30 yr: 4.25%
 *(over \$417K loan amount)



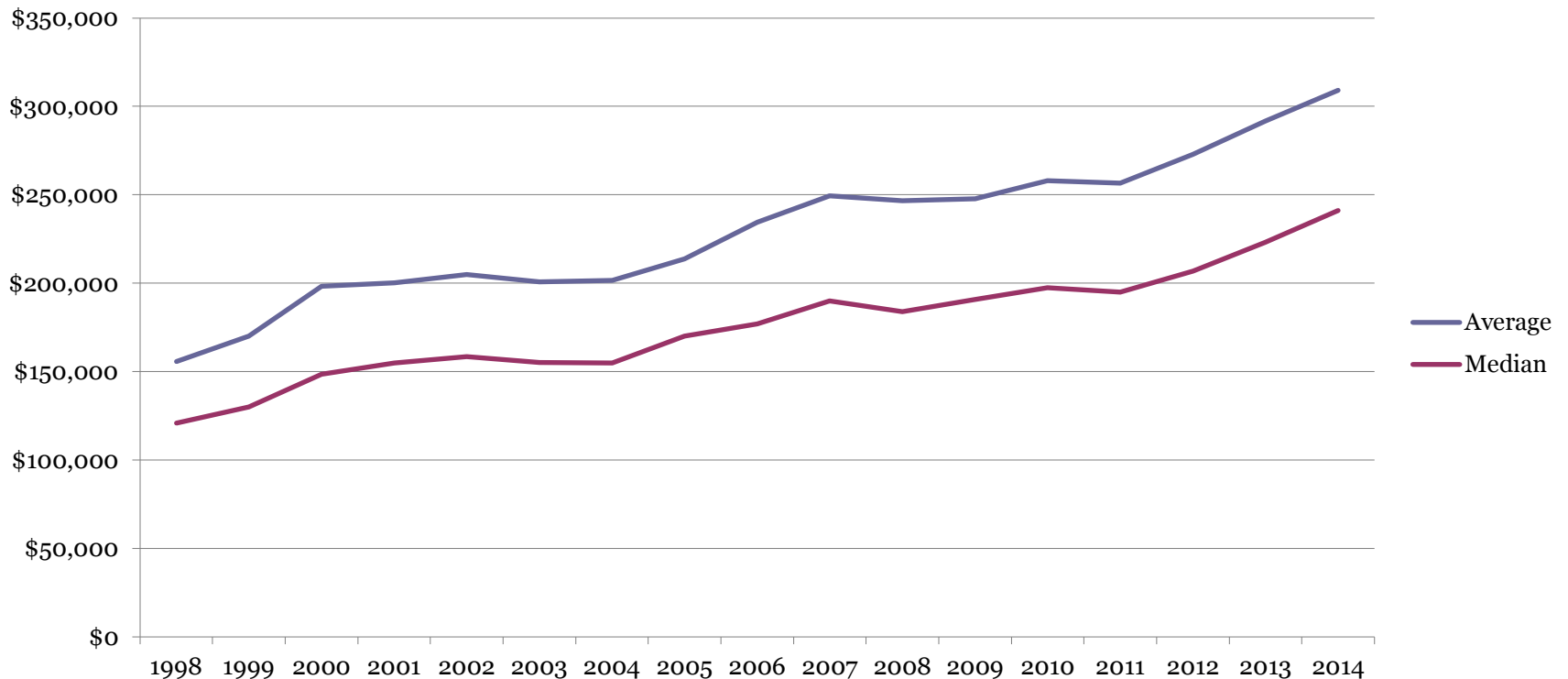
Average and Median Sold 16 Year Summary



8

The chart above follows the trend of average and median sales price per year. Last month the average sales price was \$315,473 The median sold price was \$250,000 last month. The average sales price in July is up 9.7% and the median sales price is up 11.1% from one year ago.

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

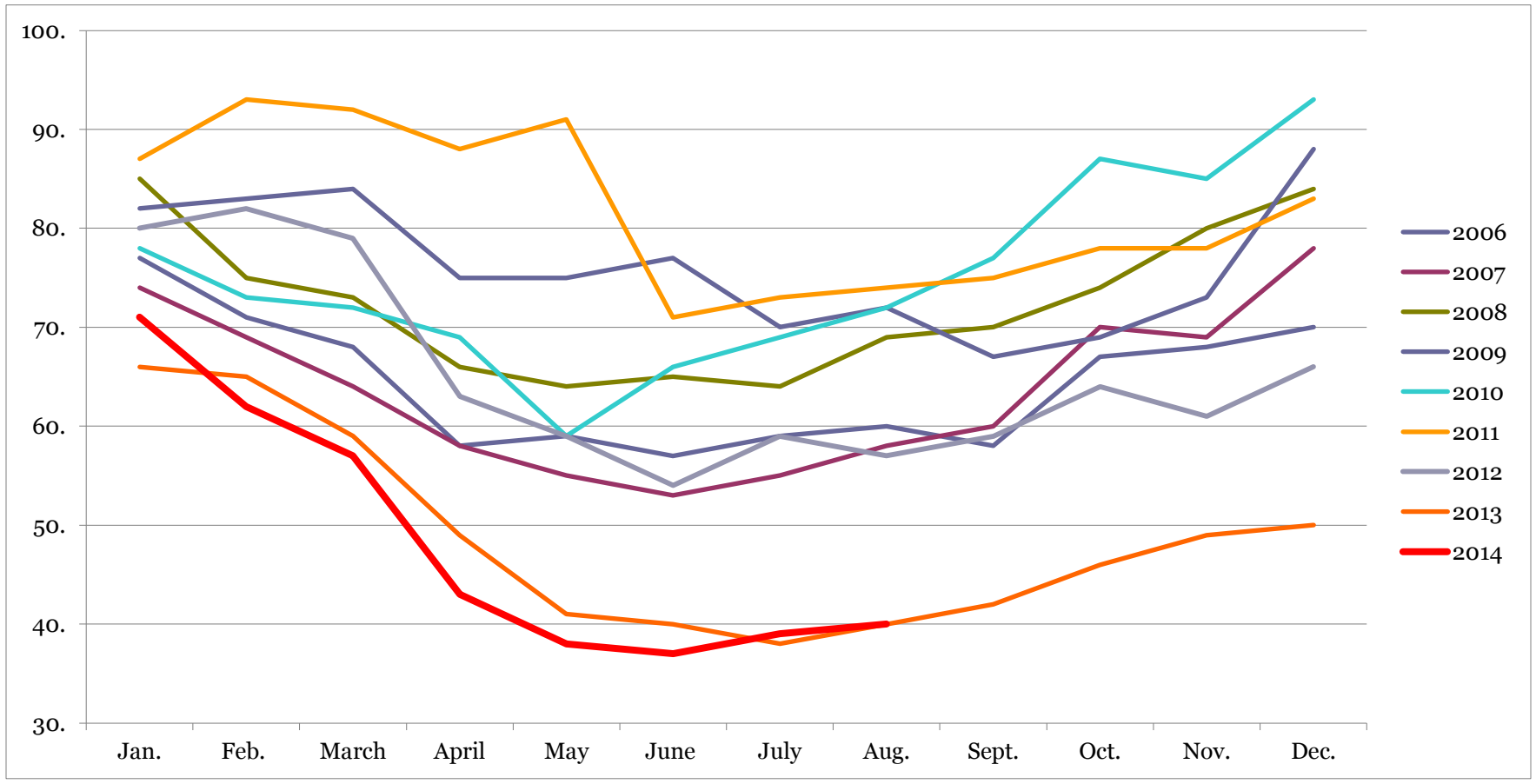


Average Days on Market 2006-2014



9

Of the homes that sold last month, the average amount of days they had been on the market was 40 days. This is the same as a year ago.





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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.