



**WEST AUSTIN**  
**PROPERTIES**

# **February 2015 Austin Real Estate Market Report**

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

Volume 10, Issue II



## Market Overview



Is the Austin market starting to make some adjustments?  
Yes and no!

More homes sold in Austin in 2014 than any other year in history except for 2006. 2006 was the high water mark for homes sold. Following 2006, demand for homes decreased for 5 years. Since 2011 sales have increased each of the following three years.

During this same time the average Median and Average price for homes from 2006 to 2011 increased 3 of the five years and declined only slightly in the years, 2008 and 2011. While most areas of the country experienced major declines in home values during this time, Austin did not. In the 3 years since 2011, Median and Average values for Austin homes have increased by 27% and 23%!

In spite of rising prices, the number of February Pending home sales are at there highest point than any time in Austin's history. Sales of homes in January were higher than 2012, 2013 and 2014. Demand appears to be strong, despite the rapid increase in values! In February 2011, there were 2700 homes for sale under \$200,000, today there are only 700 for sale.

However, from watching the Austin market for 35 years, the increasing asking price for homes seem unsustainable, except in close-in communities. In other words, in spite of the data in this Market Report, our gut (not scientific) is that the Austin market has to slow down from this rapid pace. Inventory is slightly higher than the last two years.

New apartments are now available, 10,000 in 2014 with 8,000 set for 2015. Rising homes prices should reduce the number of people who qualify to buy homes. Projected increases in interest rates in the summer should also reduce those who can qualify for loans. The recession in the oil industry may also have a slight impact on the Austin market. Time will tell if our gut feeling is correct or if the Austin market continues to set records from the prior year. There is one neighborhood where demand has increased faster than the city overall, is the Tarrytown area, Zip Code 78703, where the average sold price for January was \$1,116,500, double what is was 3 years ago. As traffic has become worse, and Mopac is in expansion, being close to downtown is becoming a higher priority for high end buyers.

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 this West Austin Properties Advance Market Report with detailed information by price range, and zip codes help you make the best decisions for you and your family. It is our pleasure to deliver it to you so together we can spot the trends.

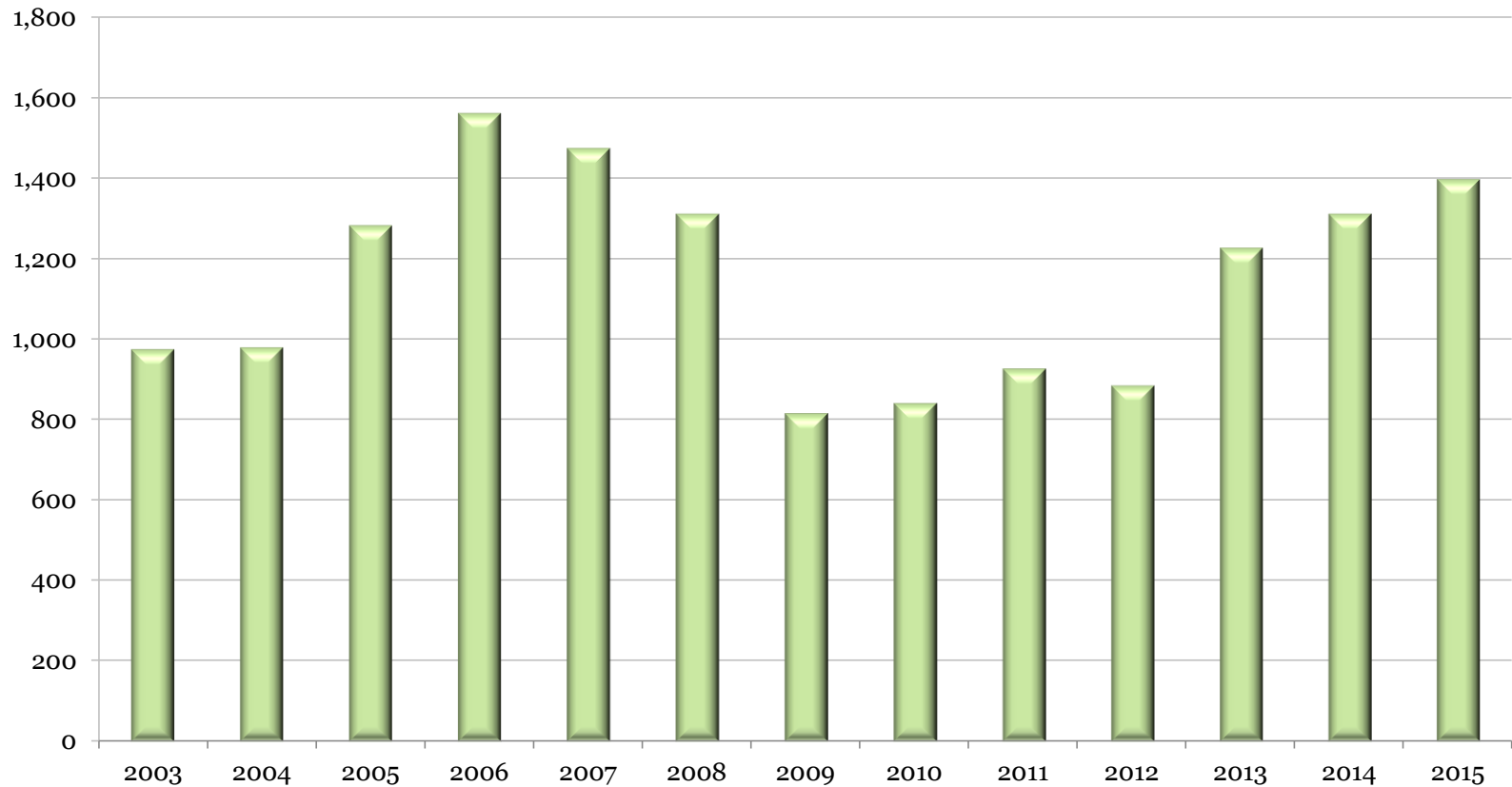
Please, call us if we can provide you any additional information.

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

# Year to Date Sales – February 2015

1

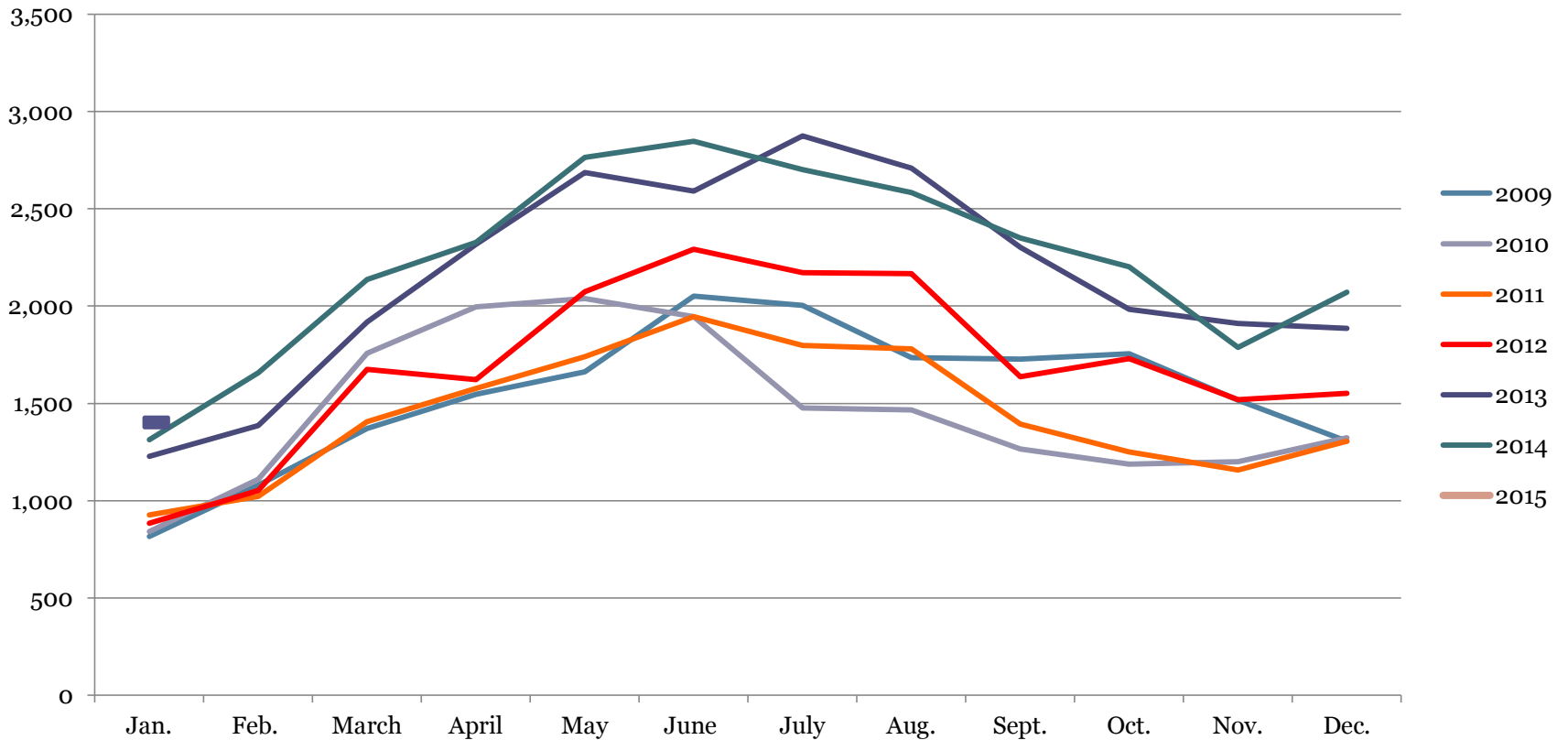
Year-to-date sales in Austin are higher than in the prior 7 years, showing increasing demand and an improving market.



# Homes Sold per Month – January 2015

2

The chart below follows the trends of numbers of homes sold during any given month. Last month there were 1,398 homes sold in Austin, Texas. More homes sold in January than in the last seven years during that month!

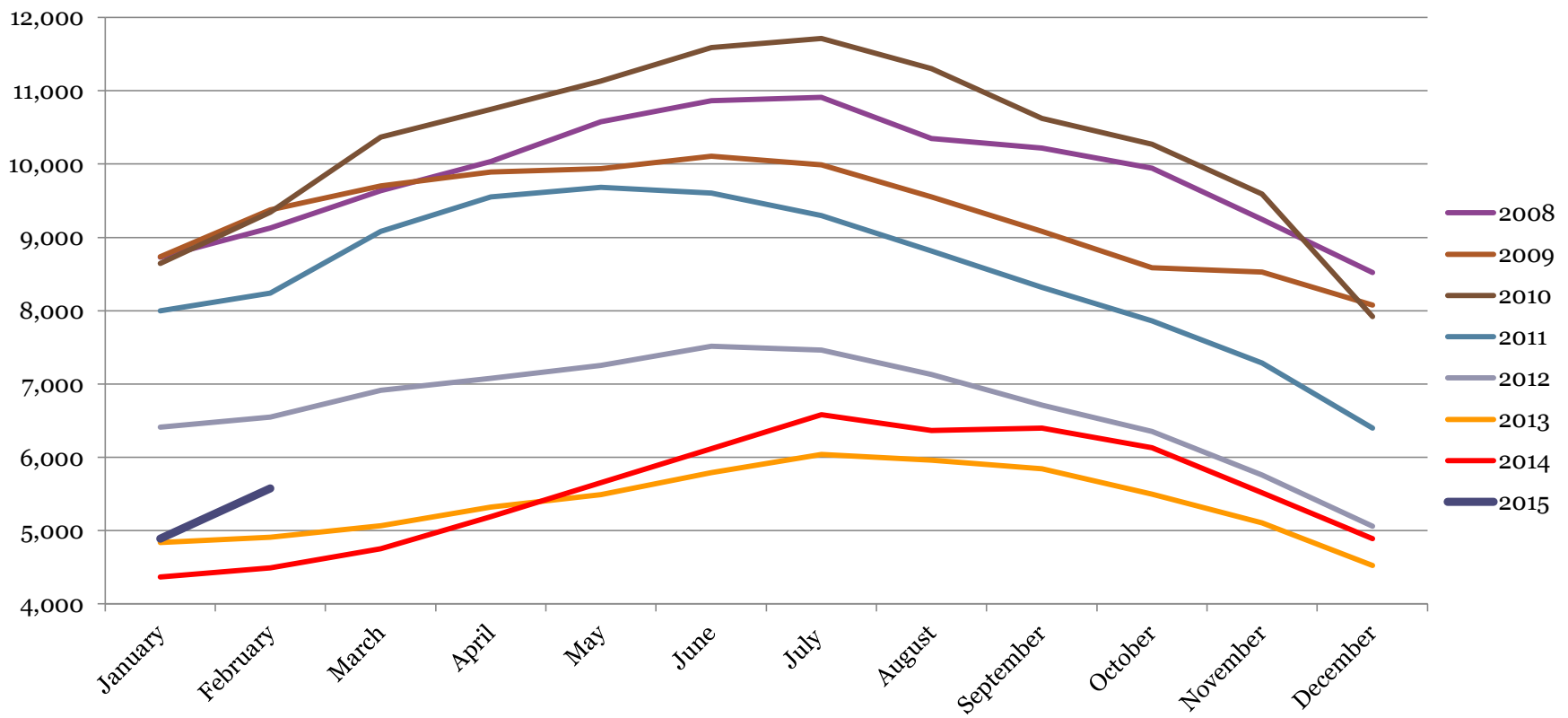


# Homes For Sale – February 2015



3

The chart below follows the trends of the number of homes for sale during any given month. At the beginning of February, there were 5,575 homes for sale in Austin, Texas. **There are 19.4% more homes for sale than last year at this time.**

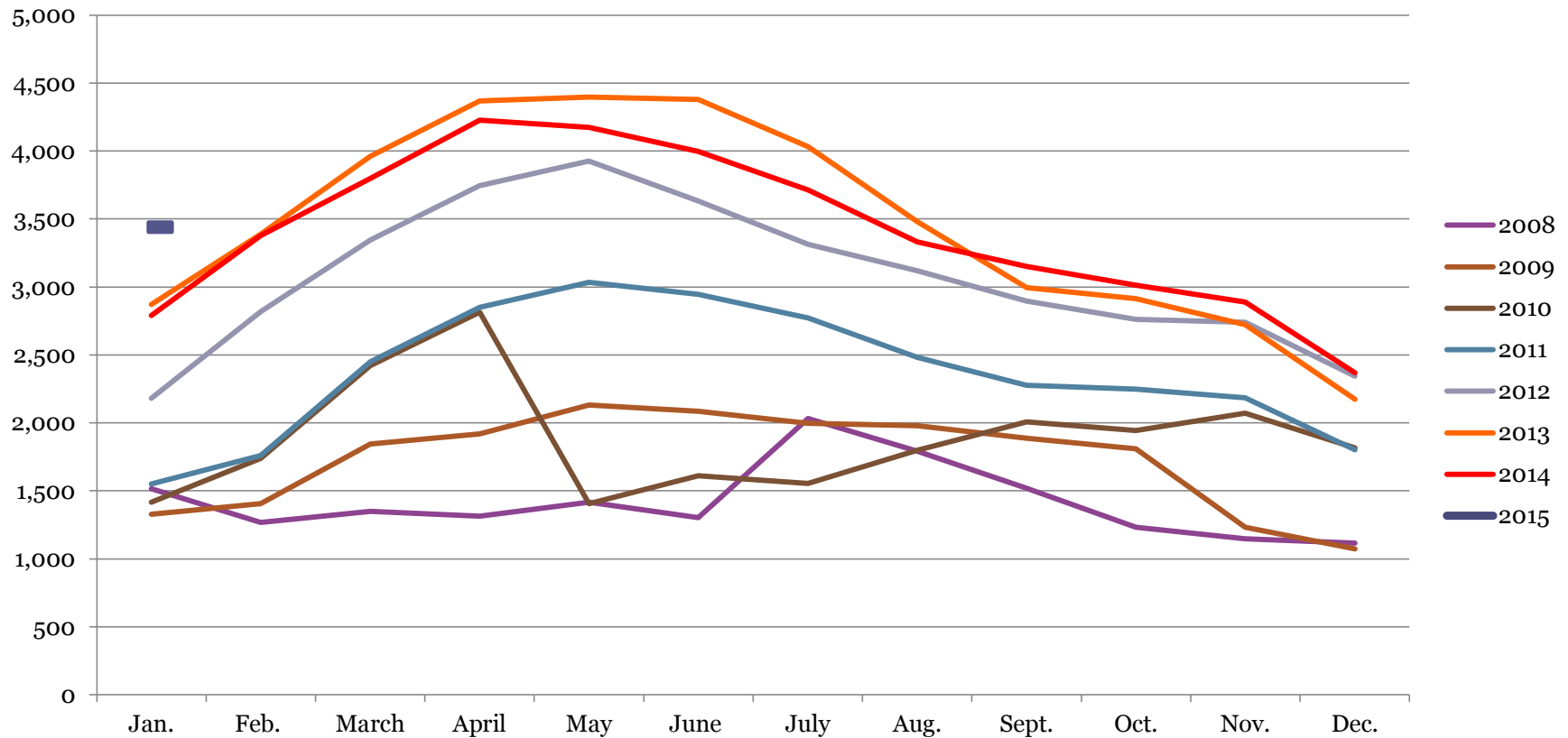


# Pending Sales per Month – January 2015



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 3,461 homes Pending in Austin, Texas. **This is the highest number of January 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- January 2015

5

Overall we are in a Normal Seller's Market with 3.45 months of inventory. On average, home prices are showing Moderate 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 \$400,000 are in a Normal or Extreme Seller's Market.

Price Range	# of Solds	Active Listings	Months of Inventory	Market
\$0-\$100k	38	131	3.45	Normal Seller's Market
\$100-\$200k	454	555	1.22	Extreme Seller's Market
\$200-\$300k	432	1166	2.70	Extreme Seller's Market
\$300-\$400k	216	866	4.01	Normal Seller's Market
\$400k-\$500k	96	616	6.42	Balanced Market
\$500-\$600k	59	390	6.61	Balanced Market
\$600-\$700k	28	266	9.50	Normal Buyer's Market
\$700-\$800k	19	164	8.63	Balanced Market
\$800-\$900k	8	106	13.25	Extreme Buyer's Market
\$900-\$1M	11	92	8.36	Balanced Market
\$1-\$2M	31	297	9.58	Normal Buyer's Market
\$2-\$3M	5	92	18.40	Extreme Buyer's Market
\$3M<	0	72	72.0	Extreme Buyer's Market
Overall MKT	1397	4813	3.45	Normal Seller's 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 Zip Code- January 2015

7 The chart below provides details on how well each Zip Code is currently selling and the impact on home values.  
8 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	18	44	2.44	\$379,500	49
78702	19	76	4.00	\$350,000	77
78703	9	50	5.56	\$1,116,580	88
78704	19	69	3.63	\$499,000	51
78705	2	0	0.00	\$709,250	72
78717	26	52	2.00	\$351,500	64
78722	1	9	9.00	\$170,000	6
78727	15	13	0.87	\$248,000	38
78730	8	25	3.13	\$927,500	66
78731	14	39	2.79	\$572,000	71
78732	12	73	6.08	\$442,500	108
78733	4	40	10.00	\$449,500	29
78734	21	162	7.71	\$365,000	97
78735	14	52	3.71	\$519,250	47
78739	16	60	3.75	\$418,000	61
78746	27	86	3.19	\$960,000	102
78749	24	11	0.46	\$317,000	39
78750	14	26	1.86	\$271,250	57
78759	16	37	2.31	\$489,800	38
<b>12+ Months of Inventory</b>		<b>Extreme Buyer's Market</b>		<b>High Depreciation</b>	
<b>9-12 Months of Inventory</b>		<b>Normal Buyer's Market</b>		<b>Moderate Depreciation</b>	
<b>6-9 Months of Inventory</b>		<b>Balanced Market</b>		<b>Flat/Moderate Depreciation</b>	
<b>3-6 Months of Inventory</b>		<b>Normal Seller's Market</b>		<b>Moderate Appreciation</b>	
<b>0-3 Months of Inventory</b>		<b>Extreme Seller's Market</b>		<b>High Appreciation</b>	

**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**

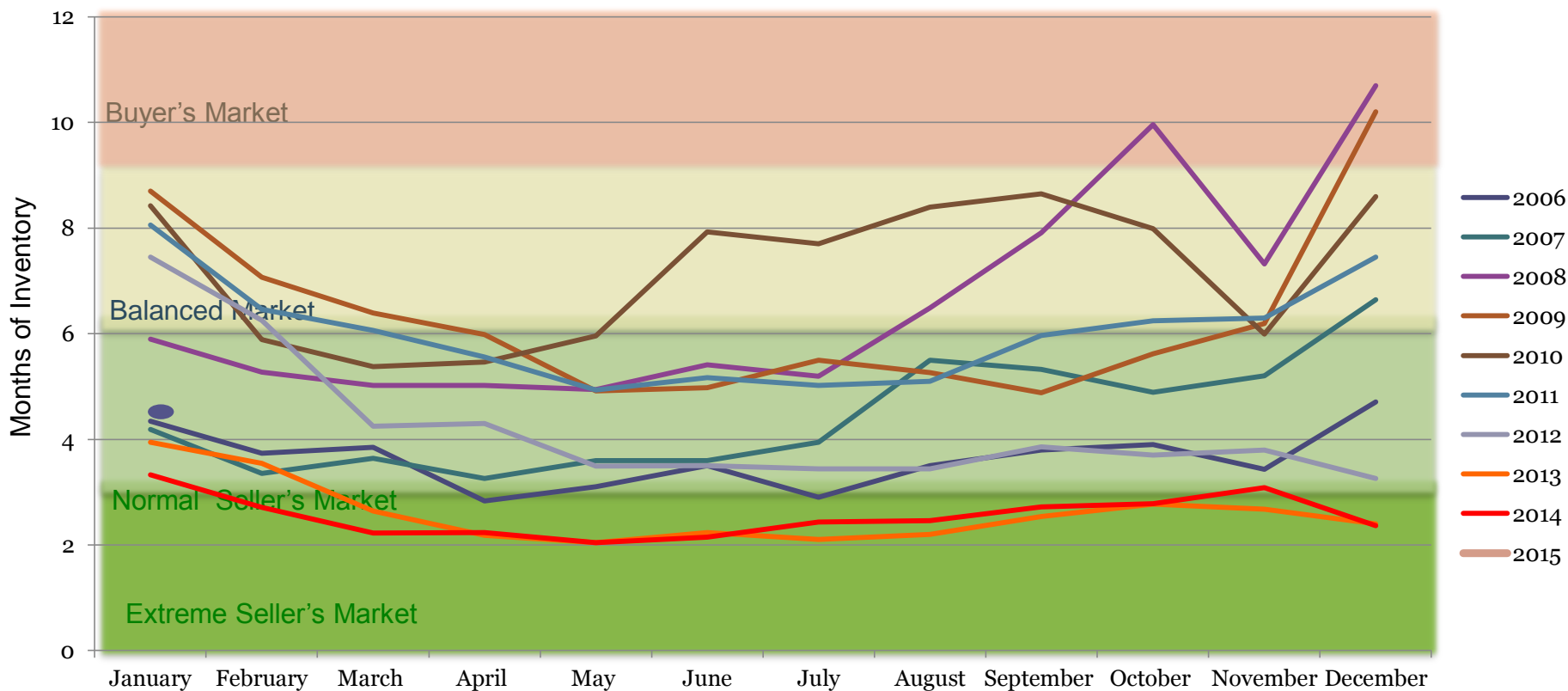
78733  
78735  
78746



# Absorption Rate: Months of Inventory in Austin 2006-2015



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 - 15 Year Summary

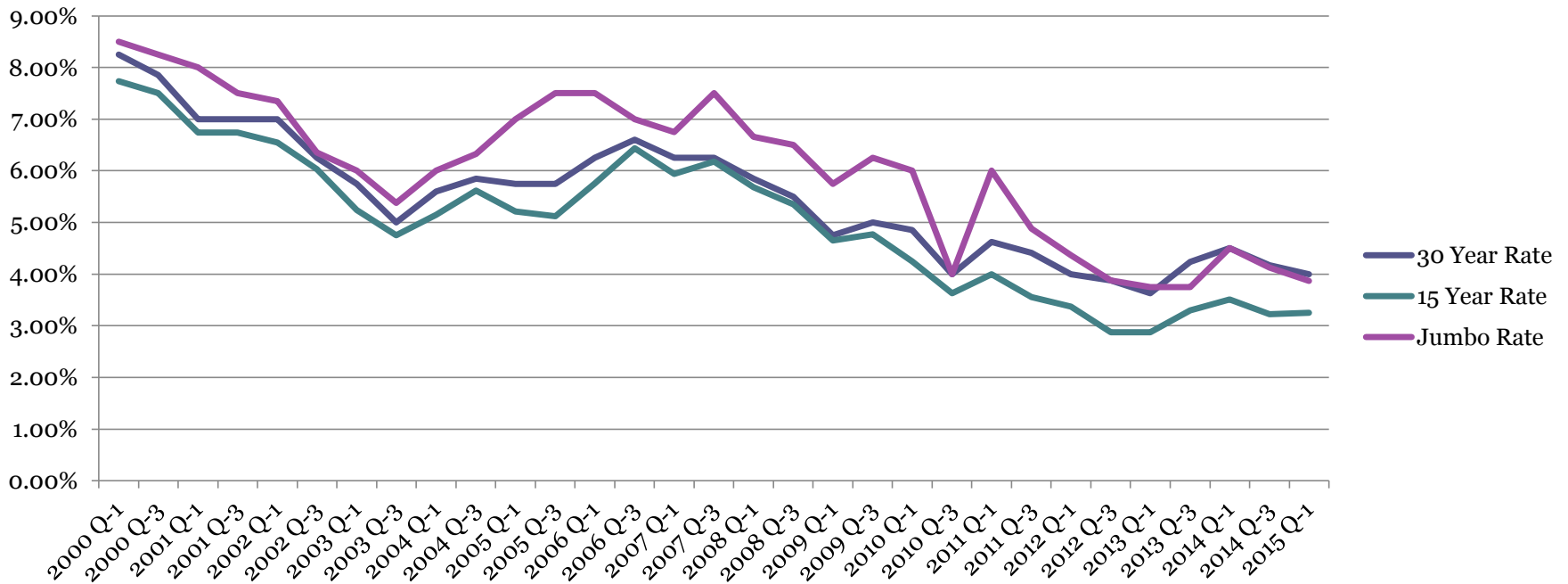


We monitor interest rates because they directly affect buying power. The higher the rate, the more it costs for a buyer to buy. When interest rates rise, it has the same effect as a seller raising his price and fewer homes sell because mortgage payments are higher. Conversely, when rates decrease more 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: 3.85%  
 Conforming 15 yr: 3.00%

Jumbo\* 30 yr: 4.31%  
 \*(over \$417K loan amount)



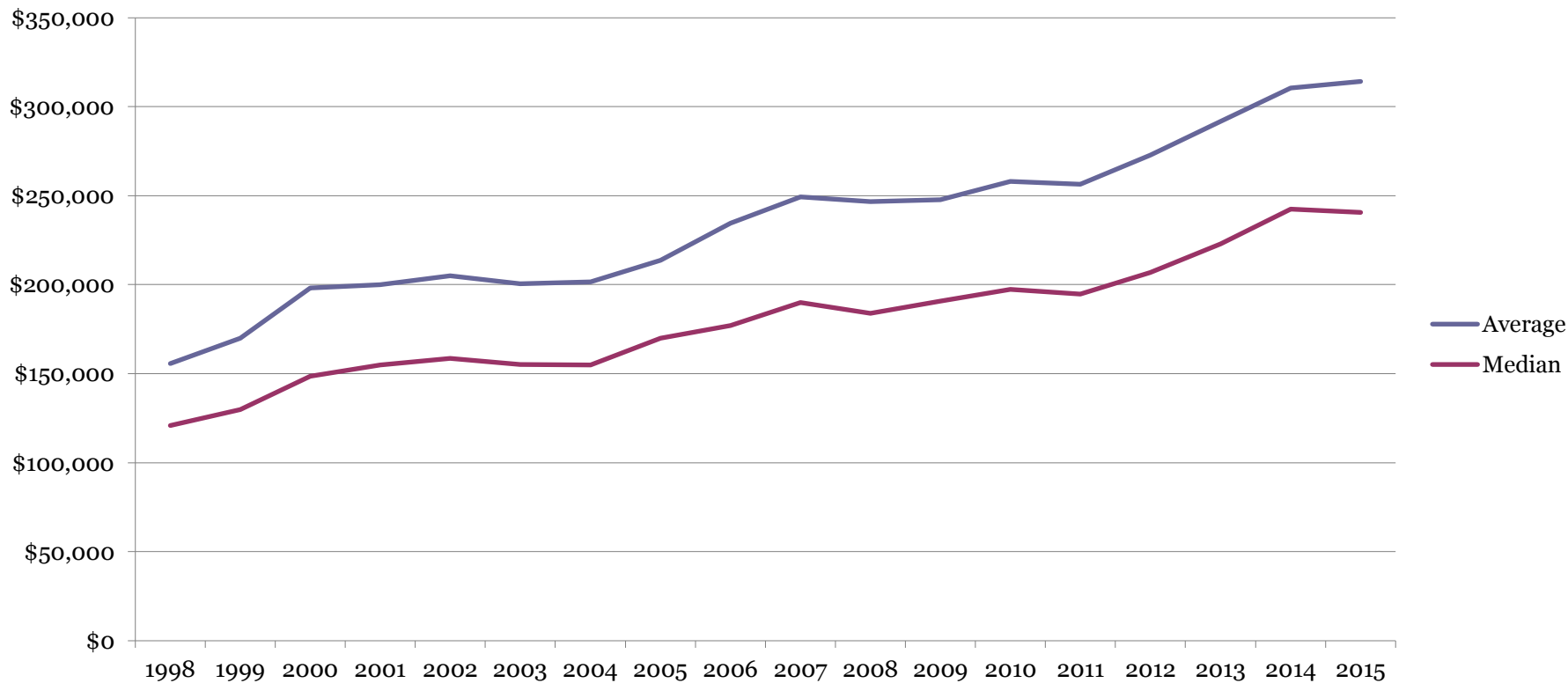
# Average and Median Sold 17 Year Summary



8

The chart above follows the trend of average and median sales price per year. Last month the average sales price was \$314,176 The median sold price was \$240,700 last month. The average sales price in December is up 13.8% and the median sales price is up 11.4% from one year ago.

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

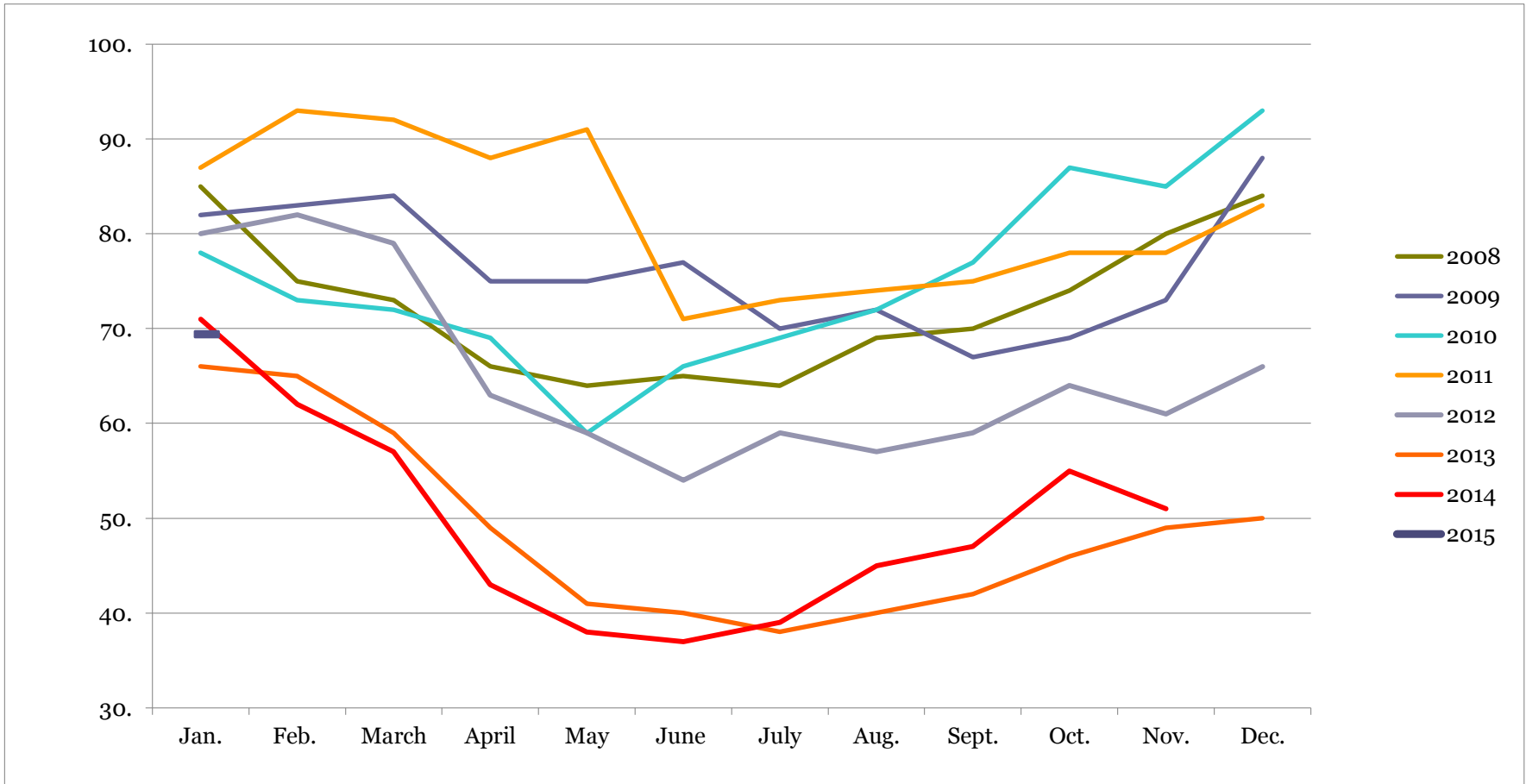


# Average Days on Market 2008-2015



9

Of the homes that sold last month, the average amount of days they had been on the market was 69 days. This is 2.8% less days than a year ago.





### Laura Duggan,

#### Broker/Owner

REALTOR® CIAS, CIPS,  
 CLHMS, CDPE, CRB, CRS  
 MILLION DOLLAR GUILD  
 AUSTIN NATIVE

*Direct:* (512) 750-2425

*Email:* [laura@westaustin.com](mailto:laura@westaustin.com)



### Gail Boston,

#### Partner

REALTOR® ABR, E-Pro  
 CLHMS, ABR, E-PRO  
 MILLION DOLLAR GUILD  
 AUSTIN NATIVE

*Direct:* (512) 626-5348

*Email:* [gail@westaustin.com](mailto:gail@westaustin.com)



### Katy Duggan-Freshour,

REALTOR® CIAS, CDPE  
 AUSTIN NATIVE

*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.