



# February 2012 – Advanced Austin Real Estate Market Report

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

Volume IV, Issue II





## Current Austin Market: Lowest Inventory in 7 years

For the last four months the number of homes for sale in the Austin area has been at a 7 year low. 6414 homes are currently for sale, 20% fewer than last year and 26% fewer than two years ago.

The number of homes sold in January has remained about the same for the last four years. The rental occupancy rate in Austin is nearing 97%.

With very few homes for sale and demand remaining steady, prices should have pressure to move upward. However, our experience is that increased loan requirements, more stringent appraisal requirements, higher down payment requirements and the buyers perception that values have declined are keeping prices steady. However there exists wide variation in the Austin market (see below).

Overall the latest research reinforces that the Austin market will continue to strengthen. "Expect widespread job growth in Austin to bring apartment vacancy to its lowest level in more than a decade," says Marcus & Millichap in its 2012 multifamily market forecast. Local employment will expand by 3.8 percent, an increase of 30,000 positions. Last year, job growth reached 3 percent, or 23,000 jobs.

### Significantly different Austin markets:

The strongest market in Austin is the Price Band below \$200K which represents 41% all of listings. Throughout the last year and today, this Price Band has been defined as a "Normal Sellers Market" (See our Price Band, Zip Code and Area charts in this report for specific markets.)

Between \$200,000 and \$500K, home prices have stabilized with slight value depreciation. This overall price band is defined as a "Balanced Market." Over the last 6 months we have seen the lower Price Bands move from a "Normal Sellers Market" to a "Balanced Market."

Above \$500K it is a completely different story. Above \$500K the Austin market has moved to an "Extreme Buyer's Market" with 14 to 76 months of inventory! 17% of the homes for sale are listed above \$500K. Last month only 53 homes sold above \$500K. Six months ago the "Extreme Buyers Market" was limited to homes over \$1M.

The higher the home price also means fewer buyers. In the price band over \$900K, home prices have declined significantly as demand has decreased. Currently there are 345 homes for sale over \$900K and this represents 7% of all the homes for sale in Austin. Last month only 7 of them sold. At the top price bands it is an VERY "Extreme Buyers Market", especially the further the home is from downtown.

Expect the Austin market in 2012 to continue to strengthen. However homes with flaws or that are not priced at market, are either staying on the market for a long time and not selling or are being moved to the rental market.

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, zip codes and area 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.

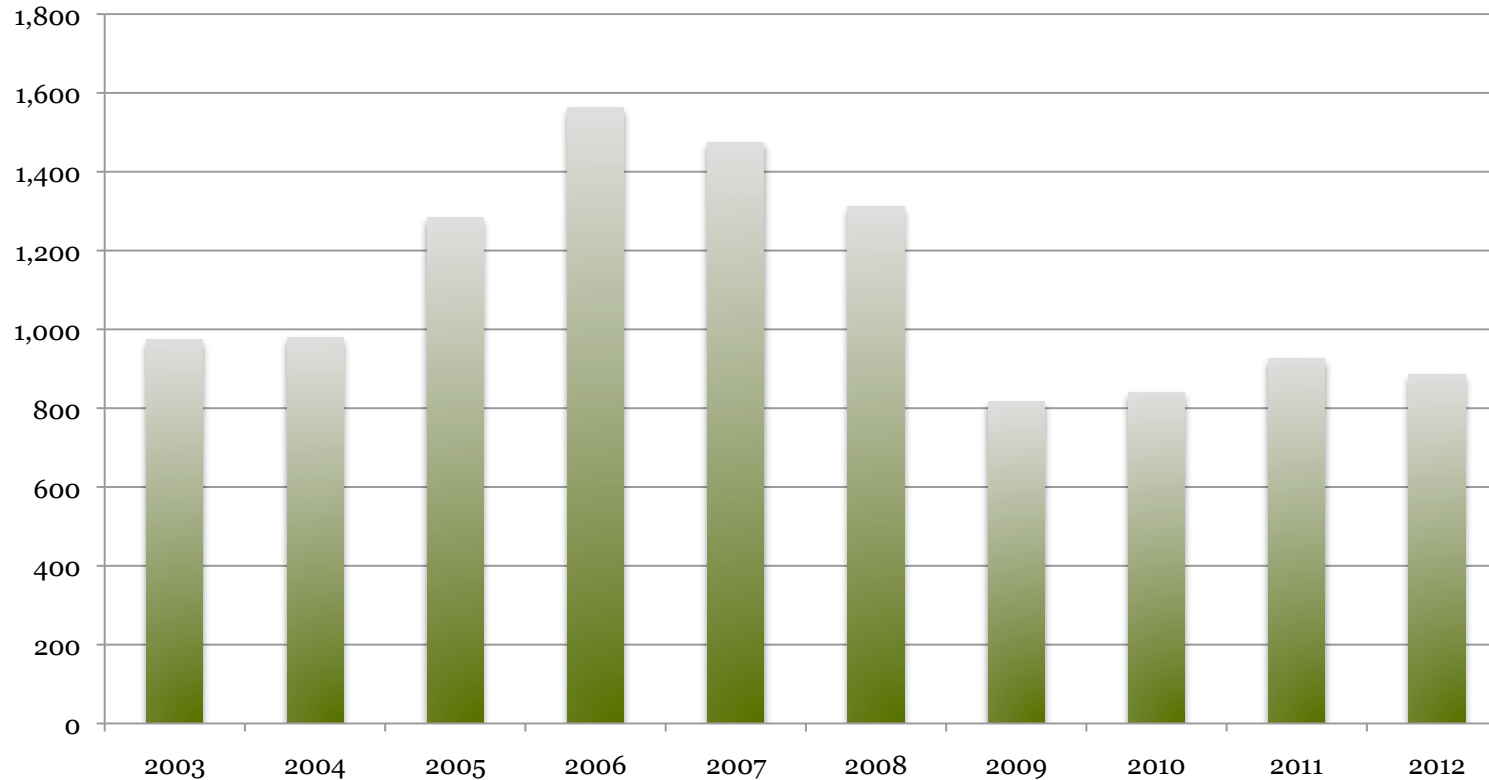
*Laura Duggan, Gail Boston and Katy Duggan !*

# Year to Date Sales – February 2012



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Year-to-date sales in Austin are down 2% from last year. However, sales are slightly higher than 2009 and 2010.

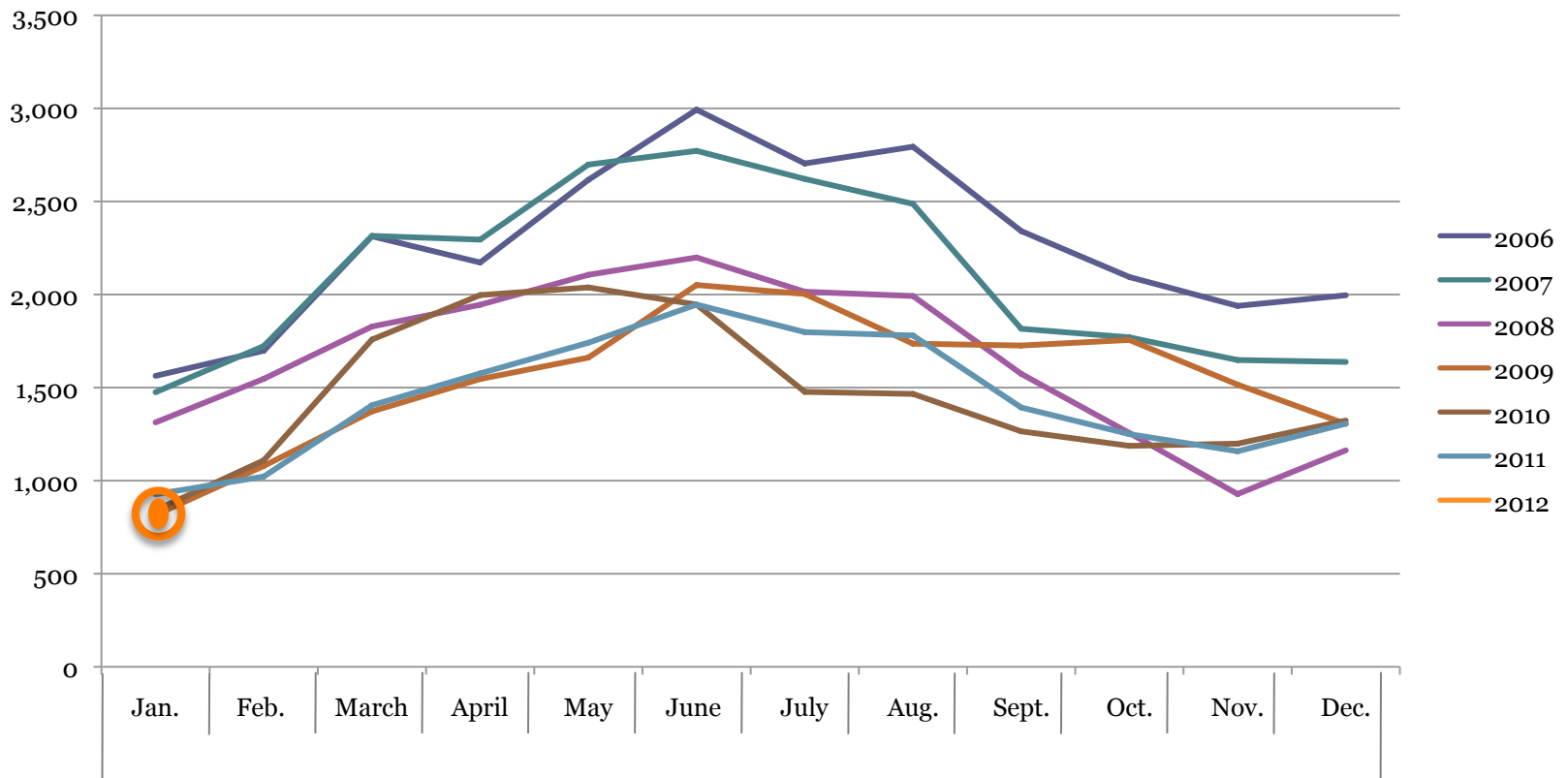


# Homes Sold per Month– January 2012



2

The chart below follows the trends of number of sold homes during any given month. Last month there were 885 homes sold in Austin, Texas. The same number of homes sold in January 2012 that sold in 2011, however, sales were at their lowest levels in the last 3 years. For the last 4 years, demand has remained constant in January. After a slight increase in 2010 and 2011, sales declined 2% in 2012.

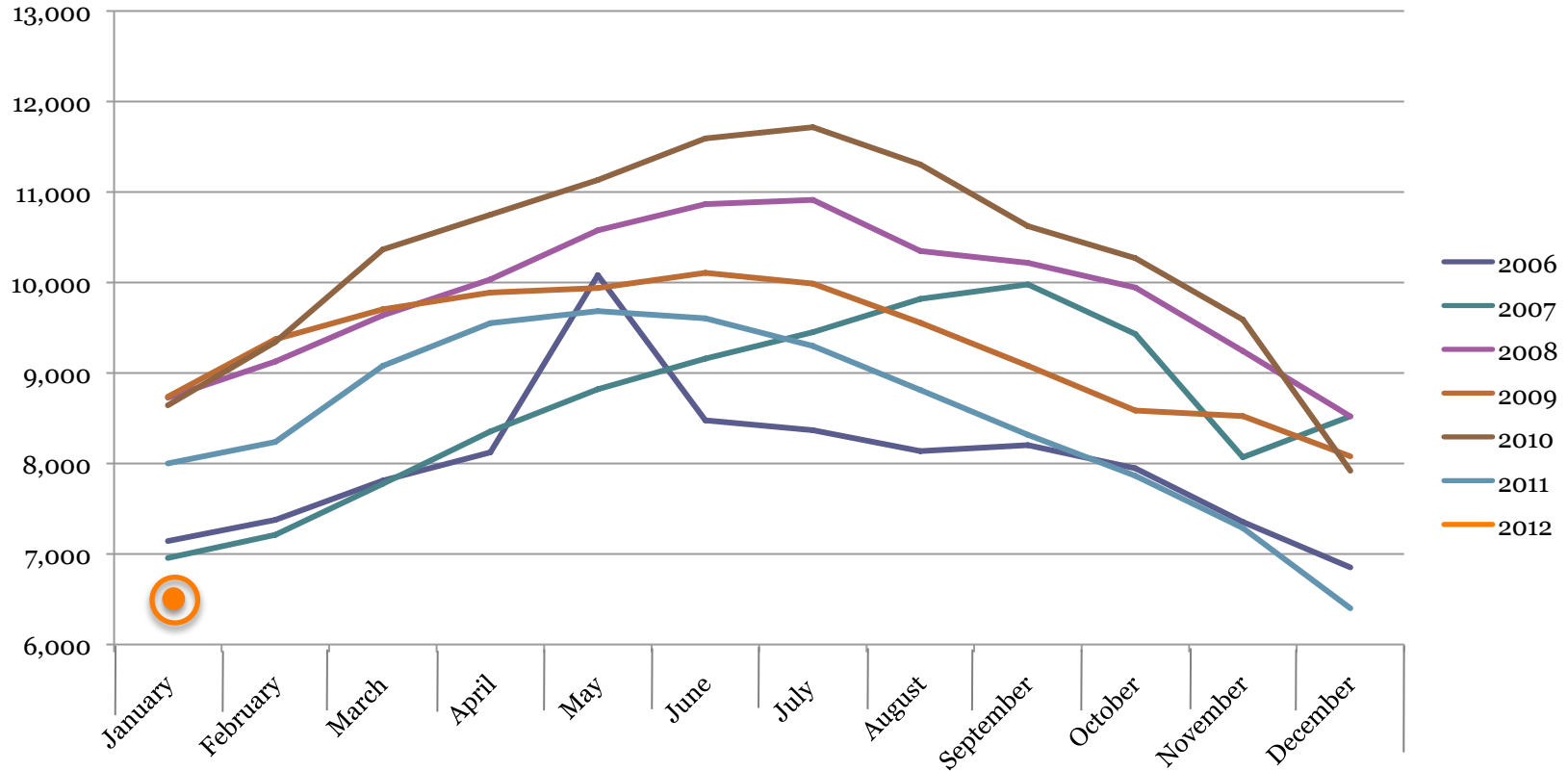


# Homes For Sale– February 2012



3

The chart below follows the trends of number of homes for sale during any given month. Last month there were **6,414** homes for sale in Austin, Texas. There are fewer homes for sale at this time than in the last 6 years. There are **20% fewer** homes for sale than last year at this time.

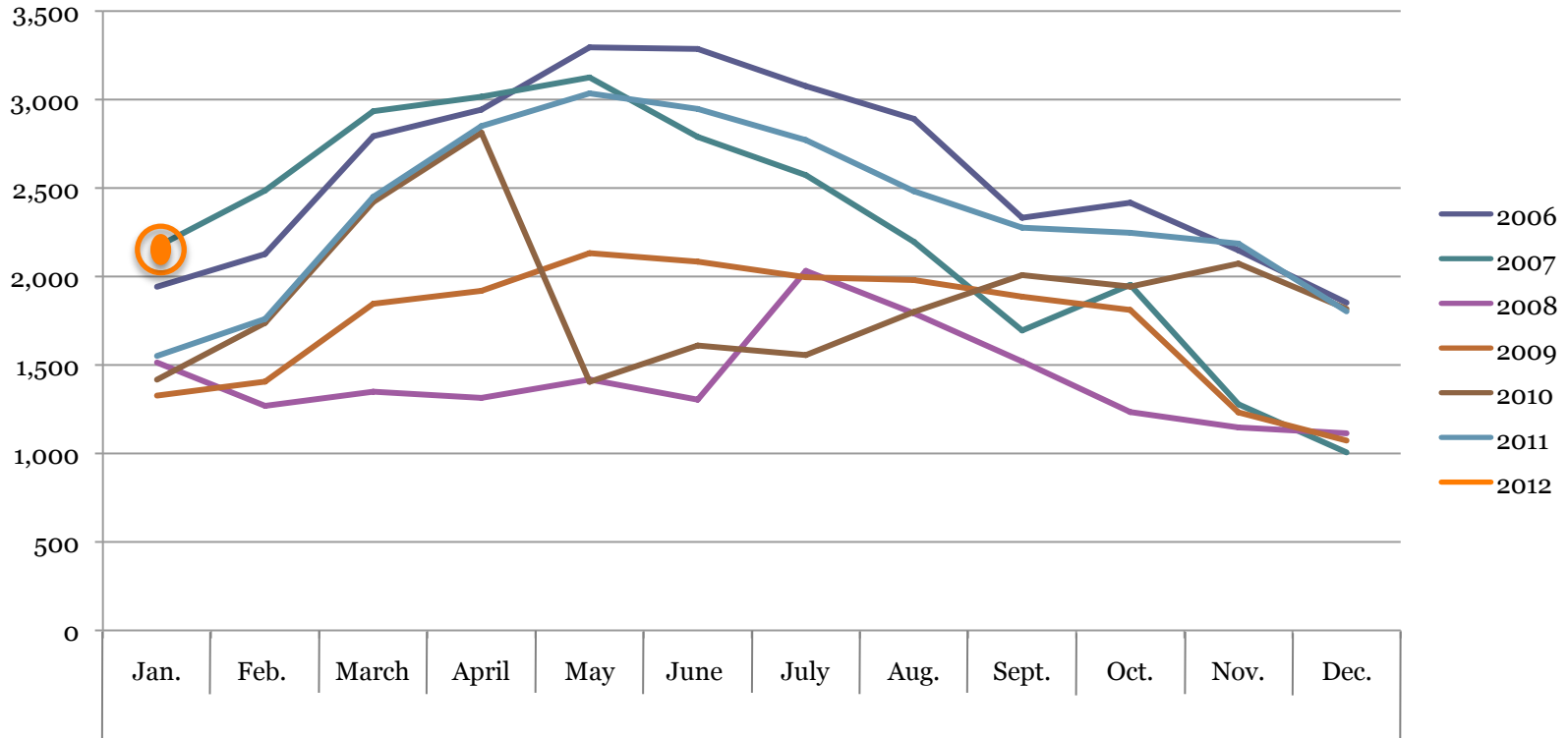


# Pending Sales per Month– January 2012



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 **2,182 homes Pending in Austin, Texas**. This is higher than 2011, 2010, 2009, and 2008. **It is a sign that demand is strong.**



# Home Sales by Price Band- January 2012



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The under \$200K price range is a **Normal Seller's Market**, while the \$200K to \$500K price range is a **Balanced and Normal Buyer's Market**. The over \$500K price range is an **Extreme Buyer's Market**. Over \$900K shows a very stagnant and depreciating market.

Price Range	# of Solds	Active Listings	Months of Inventory	Market
\$0-\$100k	117	458	3.91	Normal Sellers Market
\$100-\$200k	391	2192	5.61	Normal Sellers Market
\$200-\$300k	192	1364	7.10	Balanced Market
\$300-\$400k	77	799	10.38	Normal Buyer's Market
\$400k-\$500k	54	485	8.98	Balanced Market
\$500-\$600k	21	301	14.33	Extreme Buyer's Market
\$600-\$700k	11	169	15.36	Extreme Buyer's Market
\$700-\$800k	8	112	14.00	Extreme Buyer's Market
\$800-\$900k	6	95	15.83	Extreme Buyer's Market
\$900-\$1M	0	57	57.00	Extreme Buyer's Market
\$1-\$2M	7	234	33.43	Extreme Buyer's Market
\$2-\$3M	0	66	66.00	Extreme Buyer's Market
\$3M<	0	76	76.00	Extreme Buyer's Market
Overall MKT	885	6414	7.25	Balanced Market
<b>12+ Months of Inventory</b>				
		Extreme Buyer's Market		High Depreciation
<b>9-12 Months of Inventory</b>				
		Normal Buyer's Market		Moderate Depreciation
<b>6-9 Months of Inventory</b>				
		Balanced Market		Flat/Slight Depreciation
<b>3-6 Months of Inventory</b>				
		Normal Seller's Market		Moderate Appreciation
<b>0-3 Months of Inventory</b>				
		Extreme Seller's Market		High Appreciation

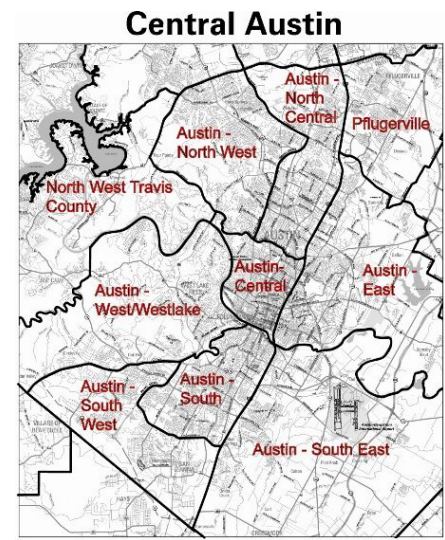
# Home Sales by Region- January 2012



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The chart below provides detail of how well each region of Austin and the surrounding cities are selling. The **South, North Central, and Northwest** regions continue to outperform the rest of the market. Seven out of 14 markets have less than 6 months' inventory.

Region	# of Solds	Active Listings	Months of Inventory	Median Selling Price	Avg DOM
Central Austin	49	375	7.65	\$360,000	87
East Austin	47	310	6.60	\$144,319	67
North Central Austin	42	167	3.98	\$177,000	52
Northwest Austin	72	207	2.88	\$275,575	75
South Austin	53	193	3.64	\$170,100	59
Southeast Austin	23	147	6.39	\$95,000	107
Southwest Austin	33	167	5.06	\$243,750	60
West Austin/Westlake	19	202	10.63	\$540,000	28
Northwest Travis County	59	820	13.90	\$345,000	99
Cedar Park/Leander	101	515	5.10	\$165,000	83
Georgetown	62	521	8.40	\$185,000	92
Pflugerville	54	285	5.28	\$146,500	67
Round Rock	101	544	5.39	\$182,500	74
Dripping Springs/Wimberly	28	353	12.61	\$187,500	102
<b>12+ Months of Inventory</b>	Extreme Buyer's Market		High Depreciation		
<b>9-12 Months of Inventory</b>	Normal Buyer's Market		Moderate Depreciation		
<b>6-9 Months of Inventory</b>	Balanced Market		Flat/Slight Depreciation		
<b>3-6 Months of Inventory</b>	Normal Seller's Market		Moderate Appreciation		
<b>0-3 Months of Inventory</b>	Extreme Seller's Market		High Appreciation		





# Home Sales by Zip Code- January 2012



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

. The Northwest and Southwest Austin zip codes are the strongest areas. Seven zip codes out of 17 have less than 6 months' of inventory. Three zip codes out of 17 has less than 3 months' inventory.

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Zip Code	# of Solds	Active Listings	Months of Inventory	Median Sales price	Avg DOM
78701	8	69	8.63	\$453,750	93
78703	9	81	9.00	\$445,000	78
78704	17	73	4.29	\$255,000	80
78705	3	7	2.33	\$435,000	183
78717	15	62	4.13	\$285,000	93
78727	13	45	3.46	\$125,000	54
78730	3	70	23.3	\$580,000	234
78731	15	75	5.00	\$408,550	51
78732	14	104	7.43	\$367,500	61
78733	0	45	45.0	0	68
78734	10	194	19.40	\$262,500	129
78735	9	57	6.33	\$335,000	34
78739	7	44	6.29	\$335,000	28
78746	10	85	8.50	\$691,500	27
78749	12	35	2.92	\$245,750	41
78750	15	57	3.80	\$240,000	122
78759	23	57	2.48	\$339,000	62
<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/Slight 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  
78703  
78704  
78705  
78731

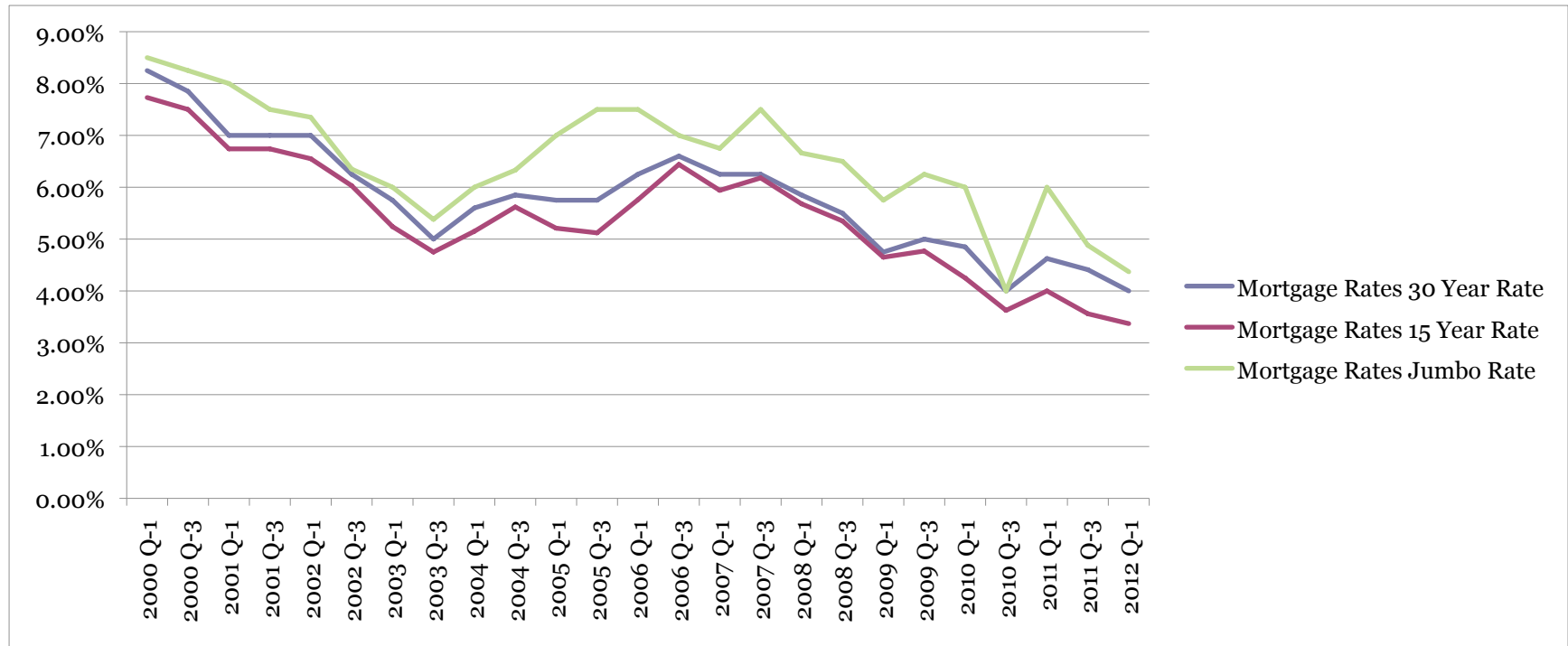
**Northwest Travis Co.**  
78730  
78732  
78734

**Southwest Austin**  
78739  
78749

**Northwest Austin**  
78717  
78727  
78750  
78759

**West Austin/Westlake**  
78733  
78735

# Mortgage Rates - 12 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 4.00%

15 Yr Fixed 3.37%

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

30 Yr Fixed 4.37%

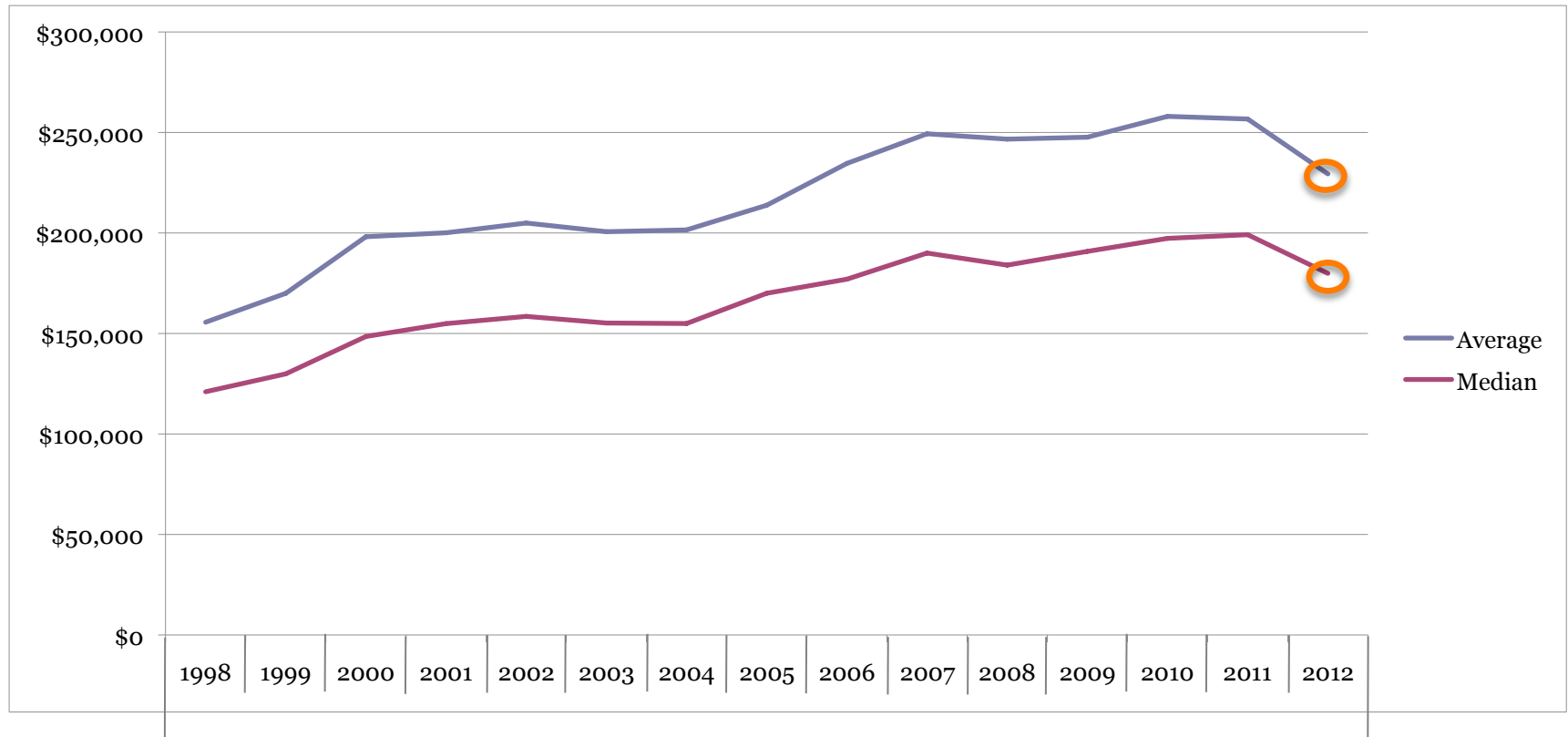
30 Yr FHH 3.75

# Average and Median Sold 15 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 **\$229,378**. The median sold price was **\$179,900** last month. The average sales price in January is **down 2.8%** and the median sales price is **down 6.9%** from one year ago.

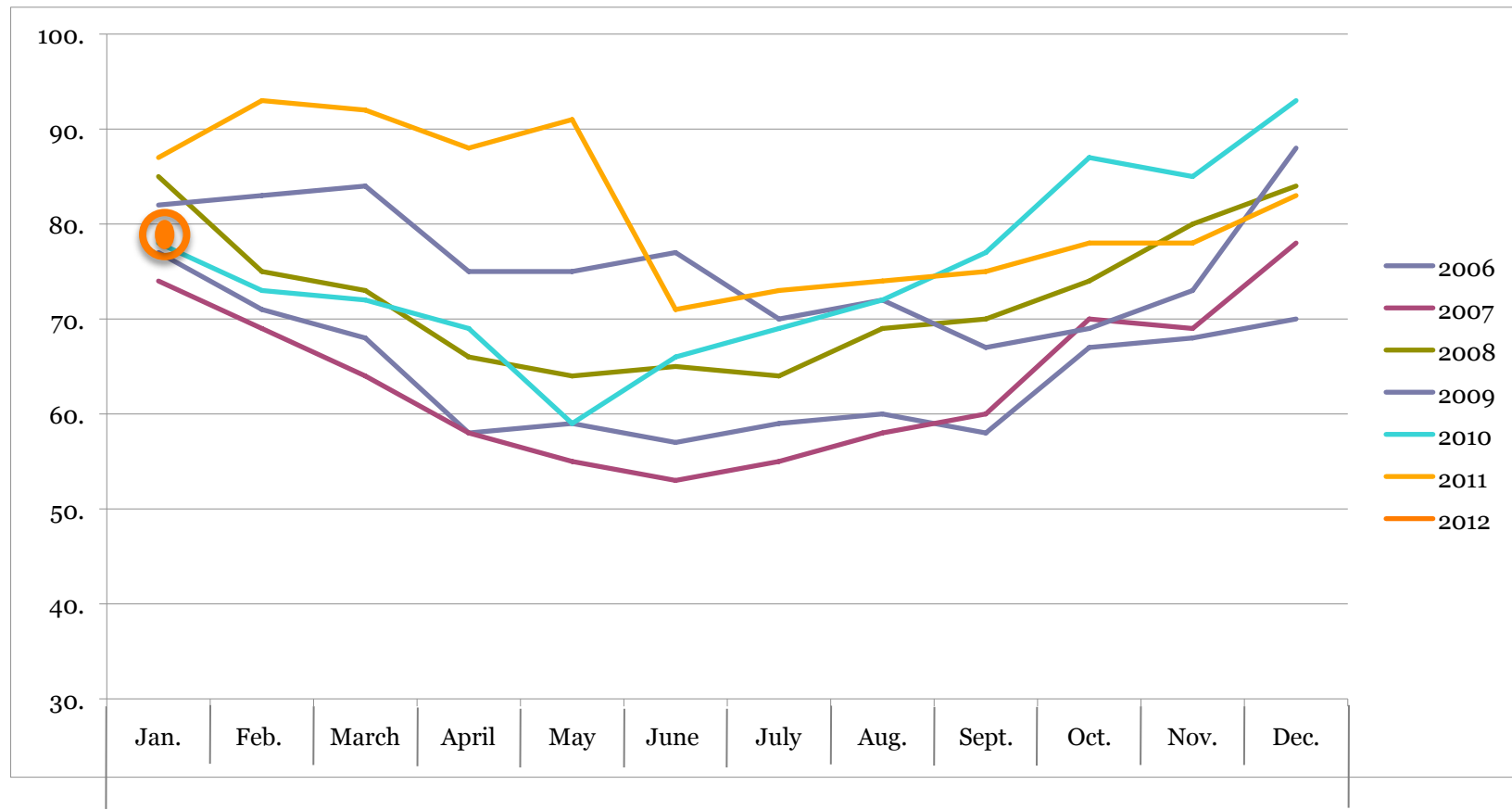


# Average Days on Market 2003-2012



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Of the homes that sold last month, the average amount of days they had been on the market was 80 days. This is 11% fewer days than 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.