



December 2011 - Advanced Austin Real Estate Market Report

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

Volume III, Issue XII





Current Austin Market: Lowest Inventory in 6 years and Fewest Sales in 3 years.

Historically during October, November and December the number of sales and number of homes for sale **decreases** each month. (See attached Charts 2 and 3.) Our market is continuing to follow that pattern.

Compared to October, November sales **decreased** 8% and inventory of homes for sale **decreased** 7%.

- 7,287 homes are currently for sale, the lowest number in six years.
- 1,158 homes sold in November, the fewest in November in three years.

Our analysis is the Austin market is defined as a "**Balanced Market**" with slightly more than 6 months of inventory for sale. After six months of Austin being a "Normal Sellers" market with moderate appreciation in values, two months ago Austin moved to a "**Balanced**" market where home prices overall are now flat or showing slight depreciation.

At the end of November, pending sales of houses under contract were at the highest levels in any November since 2006. Pending sales have been at their highest levels since 2006 for 6 consecutive months! Demand remains strong however new financial requirements and economic uncertainty and changing conditions delay closings or cause contracts to "fall off" and not close at all.

The Austin market is also changing by price levels. Below \$200,000 the market is defined as a **Normal Seller's market** and represent 55% of sold. Between \$200,000 and \$500,000 the market is a Balanced market and represent 38% of sold. Over \$500,000 the market is an **Extreme Buyer's market** or Normal Buyers market and represent 7% of sold. (See Chart 5, Price Band Chart.)

Today, Austin is a divided marketplace with moderate to strong demand for homes under \$500,000. Above \$500,000 there are fewer buyers and greater inventory, pushing prices lower on average. Every house is different, however above \$500,000 it is a "beauty contest and price war" where the best houses in the best locations priced correctly are drawing the buyers.

Six months ago, houses listed above \$1M were the only price band in an **Extreme Buyers market**. As new financial requirements have created a heavier burden on buyers above the \$417,000 conventional loan level combined with the changing economic conditions, homes above \$500,000 are now in an **Extreme Buyers market**.

While Austin's market is slowing, it is still one of the stronger urban markets in the country because of increased migration, increased job creation, and a saturated rental market.

Buying and selling in this market requires a deep understanding of the history and pressures in each area of town and each price band.

We hope this West Austin Properties Advanced Market Report with detailed information by price range, zip code and area help you make the best decisions for you and your family

It is our pleasure to deliver it to you so you can spot trends as we see them.

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

Laura Duggan, Gail Boston and Katy Duggan

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 November 1,158 Homes Sold Only higher than Nov. 2008 in last 5 years 8% Decline from October 2011	↓
3	Homes for Sale 7,287 Homes FOR SALE Lowest level in 5 years	↓
4	Pending Home Sales 2,186 Homes Under Contract Highest in four years Month's of Inventory 6.29 Months of Inventory This is considered a Balanced Market .	↑
5	Market Inventories in different Price Ranges Below \$200K = Normal Sellers Market \$200K-\$500K = Balanced Market \$500K & Up = Extreme Buyer's Market	↑ ↑ ↑

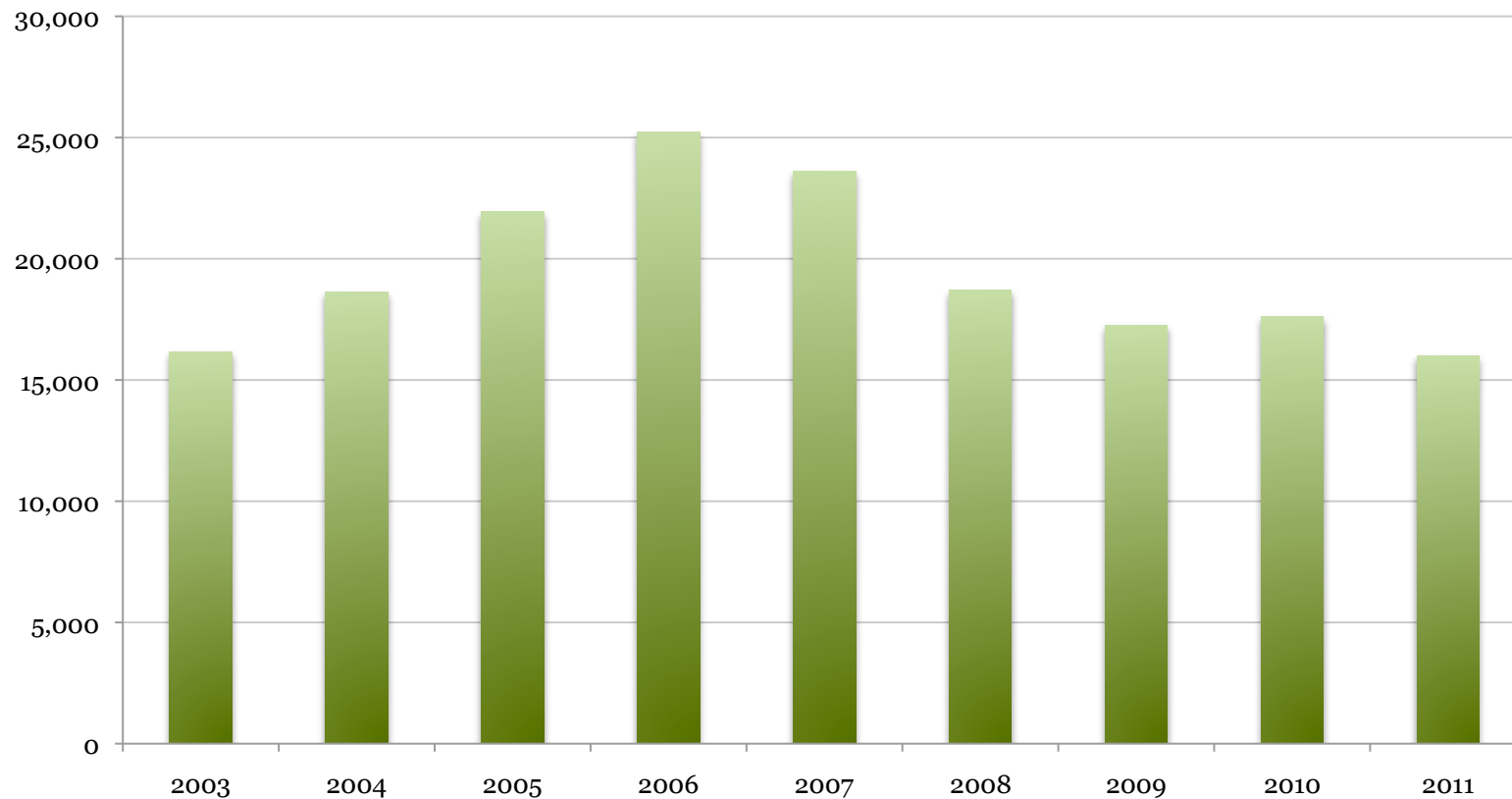
6	Top selling Regions South, Southwest, & Northwest Austin	
7	Top selling Zip Codes 78704, 78705, 78717, 78731, 78739, 78749, 78750	
8	Average Price \$252,992 average price of homes 0.5% <u>increase</u> over last year Median Price \$189,300 median price of homes 2.0% <u>increase</u> over last year	↑
9	Days on Market 78 Days—Average Days on Market 7% decrease from last year	↑

Year to Date Sales – November 2011



1

Year-to-date sales in Austin are down 9% from last year. However, last year was impacted by the first time homebuyer tax incentive. Sales for the year are 7% lower than two years ago. Sales for the first 11 months of the year are lower than in the last 9 years.

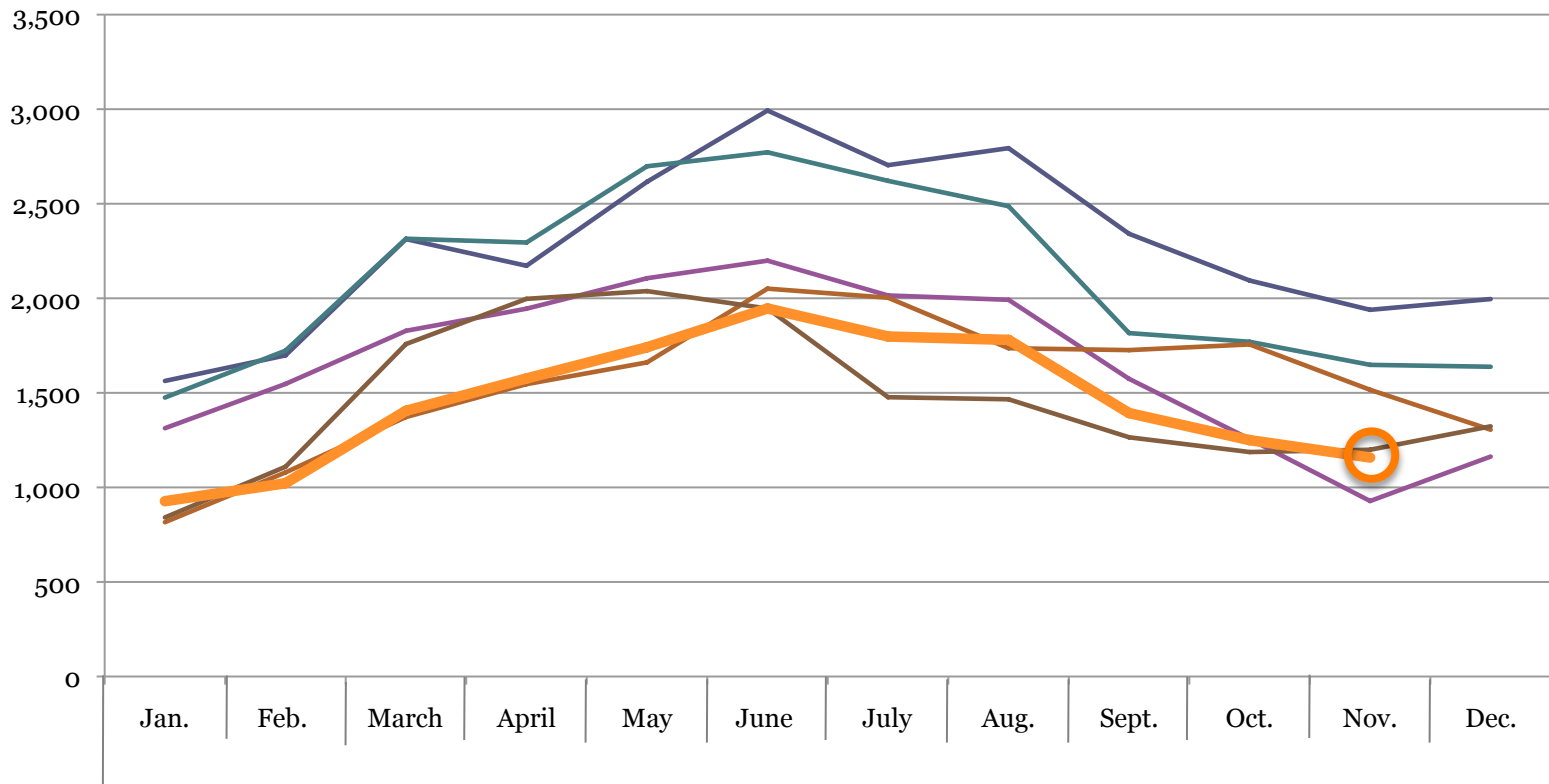


Homes Sold per Month



2

The chart below follows the trends of number of sold homes during any given month. Last month there were 1,158 homes sold in Austin, Texas. The same number of homes sold in October 2011 that sold in 2010, however, sales were at their lowest levels in the last 3 years.

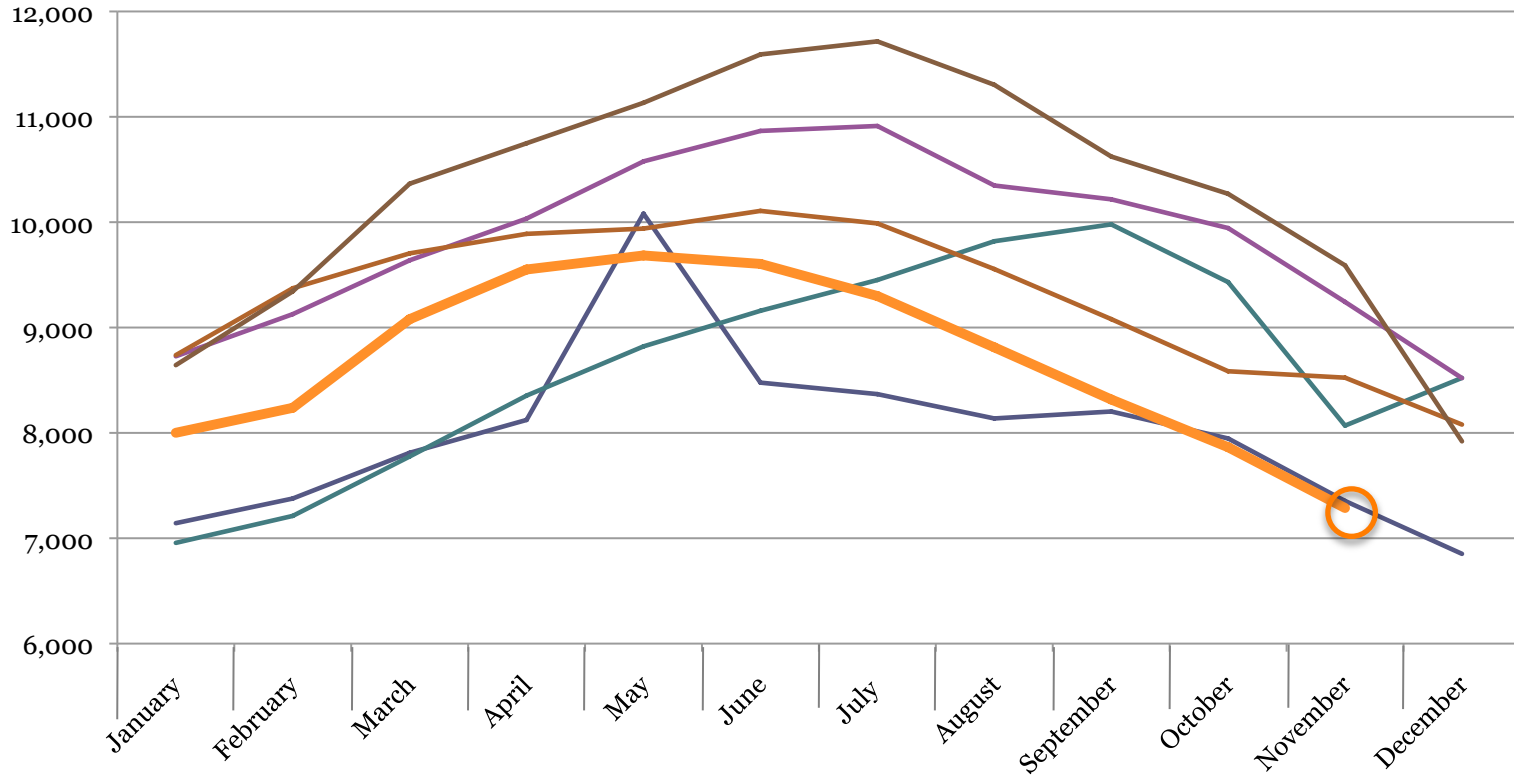


Homes For Sale



3

The chart below follows the trends of number of homes for sale during any given month. Last month there were **7,287** homes for sale in Austin, Texas. There are fewer homes for sale at this time than in the last 5 years. There are **25% fewer** homes for sale than last year at this time.

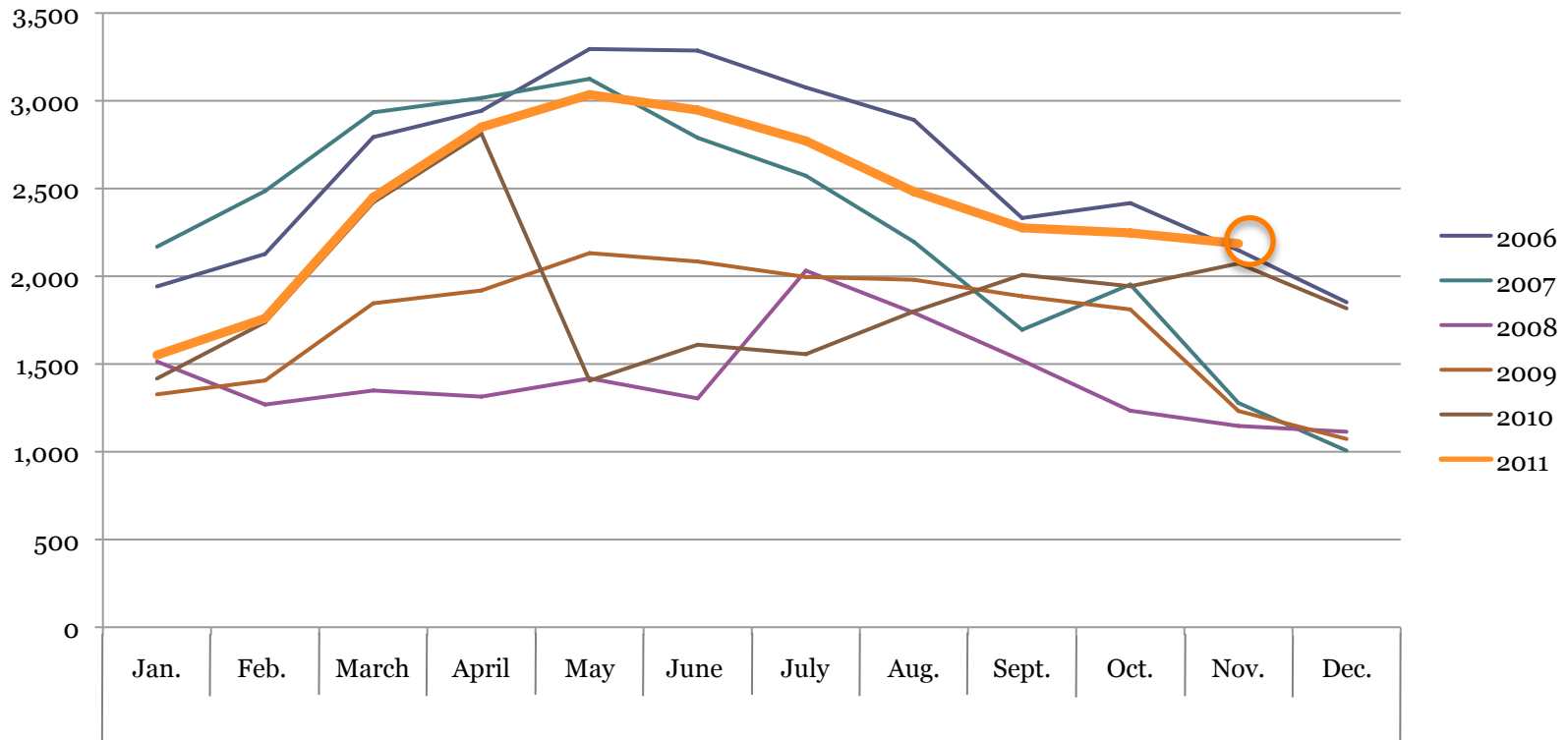


Pending Sales per Month



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 **2,186** homes Pending in Austin, Texas. This is higher than 2010, 2009, 2008, and 2007. **It is a sign that demand is strong.**



Home Sales by Price Band- November 2011



5

Austin has seen a surge of sales in the lower price ranges in July and August. That, combined with a lower number of homes for sale has created an overall **Balanced Market**.

The under \$200K price range is a **Normal Seller's Market**, while the **\$200K to \$500K** price range is a **Balanced Market**. The over **\$500K** price range is an **Extreme Buyer's Market**.

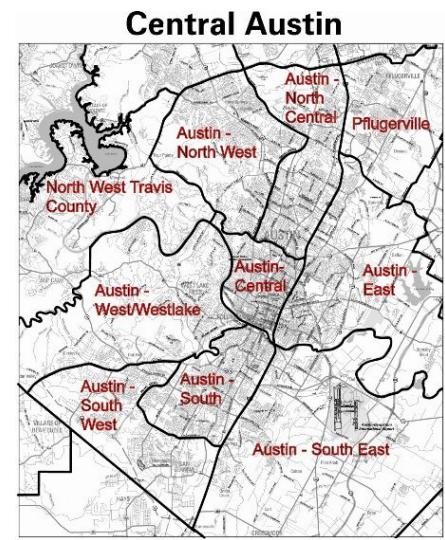
Price Range	# of Solds	Active Listings	Months of Inventory	Market
\$0-\$100k	126	503	3.99	Normal Seller's Market
\$100-\$200k	505	2543	5.04	Normal Seller's Market
\$200-\$300k	249	1557	6.25	Balanced Market
\$300-\$400k	126	914	7.25	Balanced Market
\$400k-\$500k	70	534	7.63	Balanced Market
\$500-\$600k	26	335	12.88	Extreme Buyer's Market
\$600-\$700k	17	163	9.58	Normal Buyer's Market
\$700-\$800k	10	128	12.80	Extreme Buyer's Market
\$800-\$900k	7	107	15.29	Extreme Buyer's Market
\$900-\$1M	3	76	25.33	Extreme Buyer's Market
\$1-\$2M	6	223	45.50	Extreme Buyer's Market
\$2-\$3M	6	71	11.83	Normal Buyer's Market
\$3M<	2	75	37.50	Extreme Buyer's Market
Overall MKT	1158	7287	6.29	Balanced 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/Slight 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 Region- November 2011

6

The chart below provides detail of how well each region of Austin and the surrounding cities are selling. The **South, Southwest, and Northwest** regions continue to outperform the rest of the market. Nine 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	56	413	7.37	\$340,000	99
East Austin	67	338	5.04	\$145,000	63
North Central Austin	42	262	6.24	\$188,500	58
Northwest Austin	68	262	3.85	\$327,500	60
South Austin	85	249	2.93	\$177,500	65
Southeast Austin	29	155	5.34	\$115,990	61
Southwest Austin	74	220	2.97	\$259,000	62
West Austin/Westlake	46	248	5.39	\$514,250	86
Northwest Travis County	71	905	12.75	\$356,700	101
Cedar Park/Leander	105	608	5.79	\$170,000	70
Georgetown	78	571	7.32	\$186,200	90
Pflugerville	68	314	4.61	\$150,000	80
Round Rock	125	590	4.72	\$192,500	62
Dripping Springs/Wimberly	29	383	13.21	\$310,000	96
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/Slight 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- November 2011



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

7

There are quite a few zip codes with surging sales numbers. The Northwest and Southwest Austin zip codes are the strongest areas. Eight zip codes out of 17 have less than 6 months' of inventory.

Zip Code	# of Solds	Active Listings	Months of Inventory	Median Sales price	Avg DOM
78701	9	71	7.89	\$322,500	88
78703	10	96	9.6	\$553,000	73
78704	25	88	3.5	\$400,000	69
78705	3	8	2.67	\$280,000	55
78717	22	71	3.23	\$254,350	63
78727	9	65	7.22	\$199,196	71
78730	7	72	10.29	\$452,000	44
78731	23	85	3.7	\$397,500	70
78732	16	124	7.75	\$376,500	94
78733	8	51	6.38	\$485,000	118
78734	19	204	10.74	\$291,000	104
78735	14	67	4.79	\$400,427	63
78739	22	50	2.27	\$333,879	44
78746	18	110	6.11	\$644,500	92
78749	32	52	1.63	\$232,500	51
78750	17	69	4.06	\$325,000	47
78759	13	67	5.15	\$362,000	74
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/Slight Depreciation		
3-6 Months of Inventory	Normal Seller's Market		Moderate Appreciation		
0-3 Months of Inventory	Extreme Seller's Market		High Appreciation		

Central Austin
78701
78703
78704
78705
78731

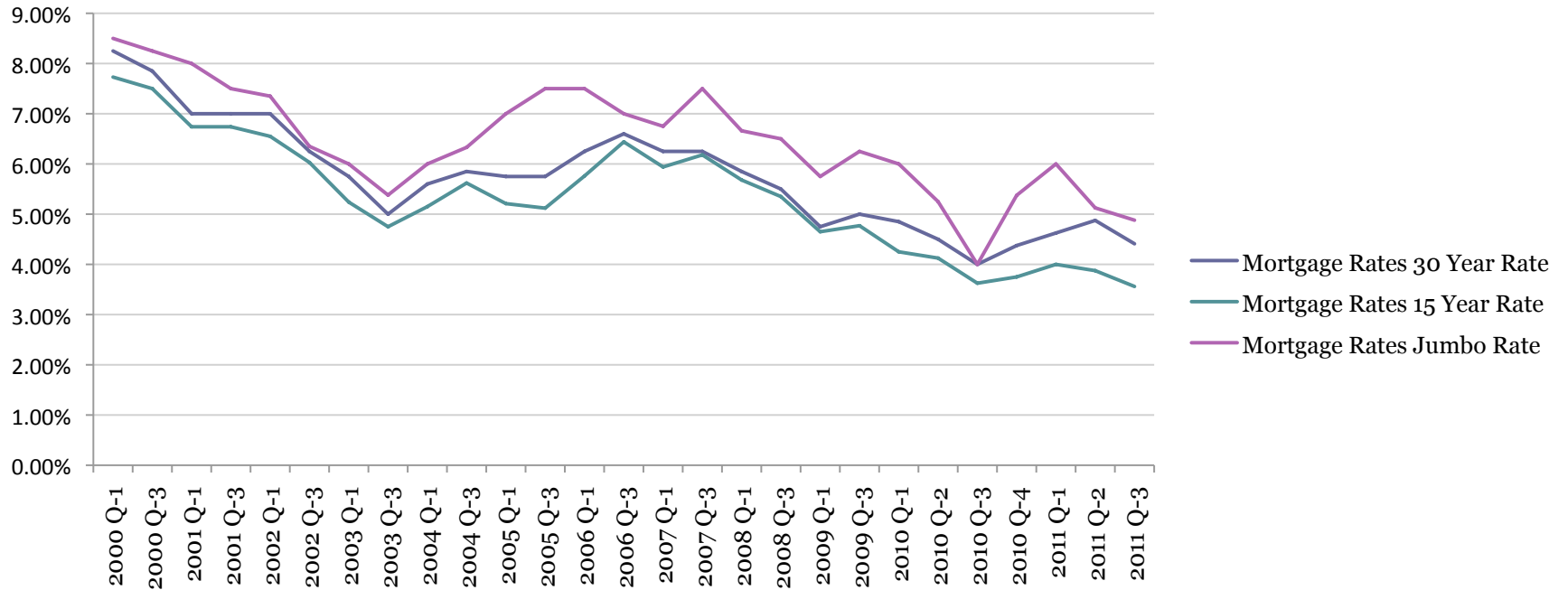
Northwest Travis Co.
78730
78732
78734

Southwest Austin
78739
78749

Northwest Austin
78717
78727
78750
78759

West Austin/Westlake
78733
78735

Mortgage Rates - 11 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 3.38%

JUMBO (over \$417K loan amount)

30 Yr Fixed 4.75%

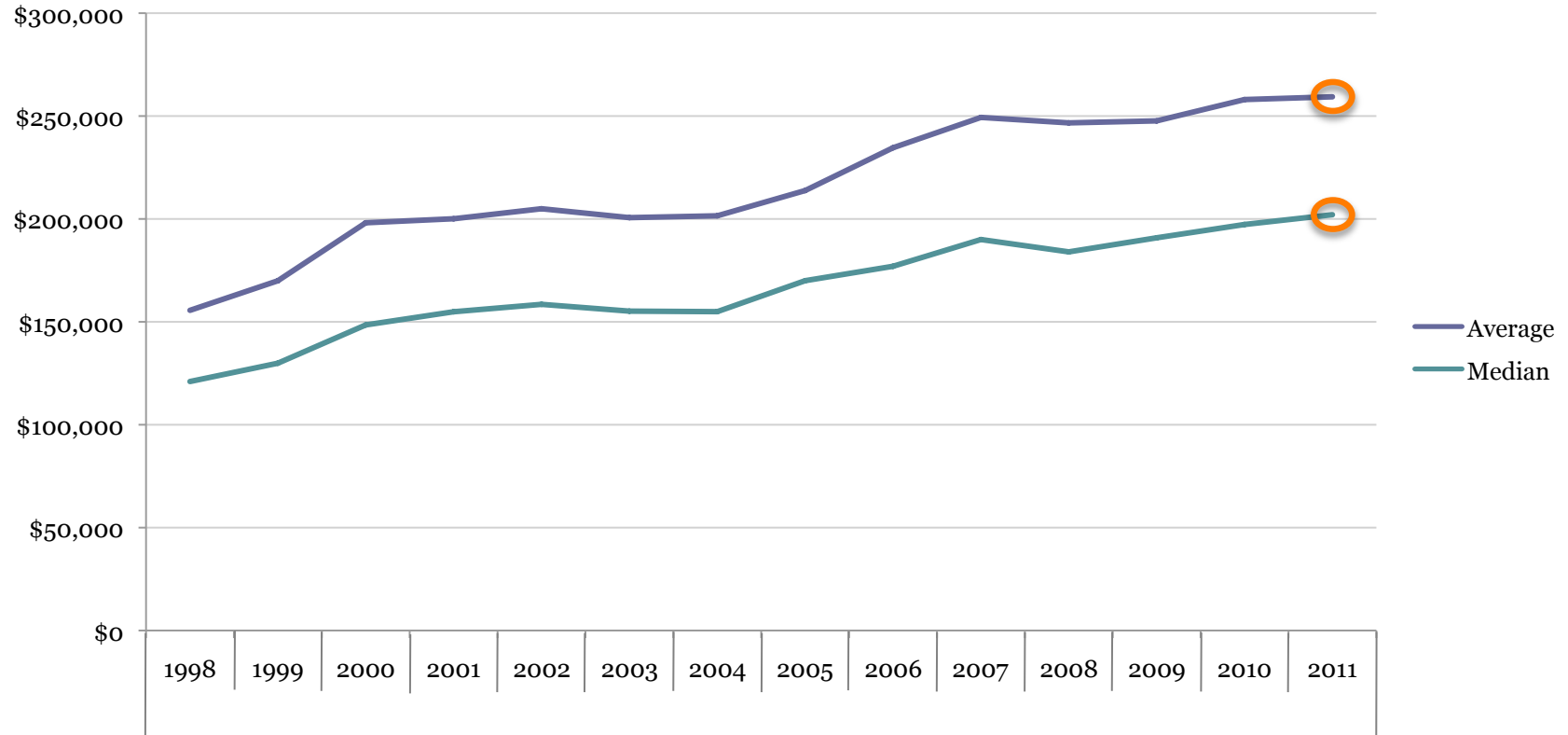
30 Yr FHH 3.75

Average and Median Sold 12 Year Summary



8

The chart above follows the trend of average and median sales price per year. Last month the average sales price was **\$252,992**. The median sold price was **\$189,300** last month. The average sales price in November is **up .5%** and the median sales price is **up 2%** from one year ago.

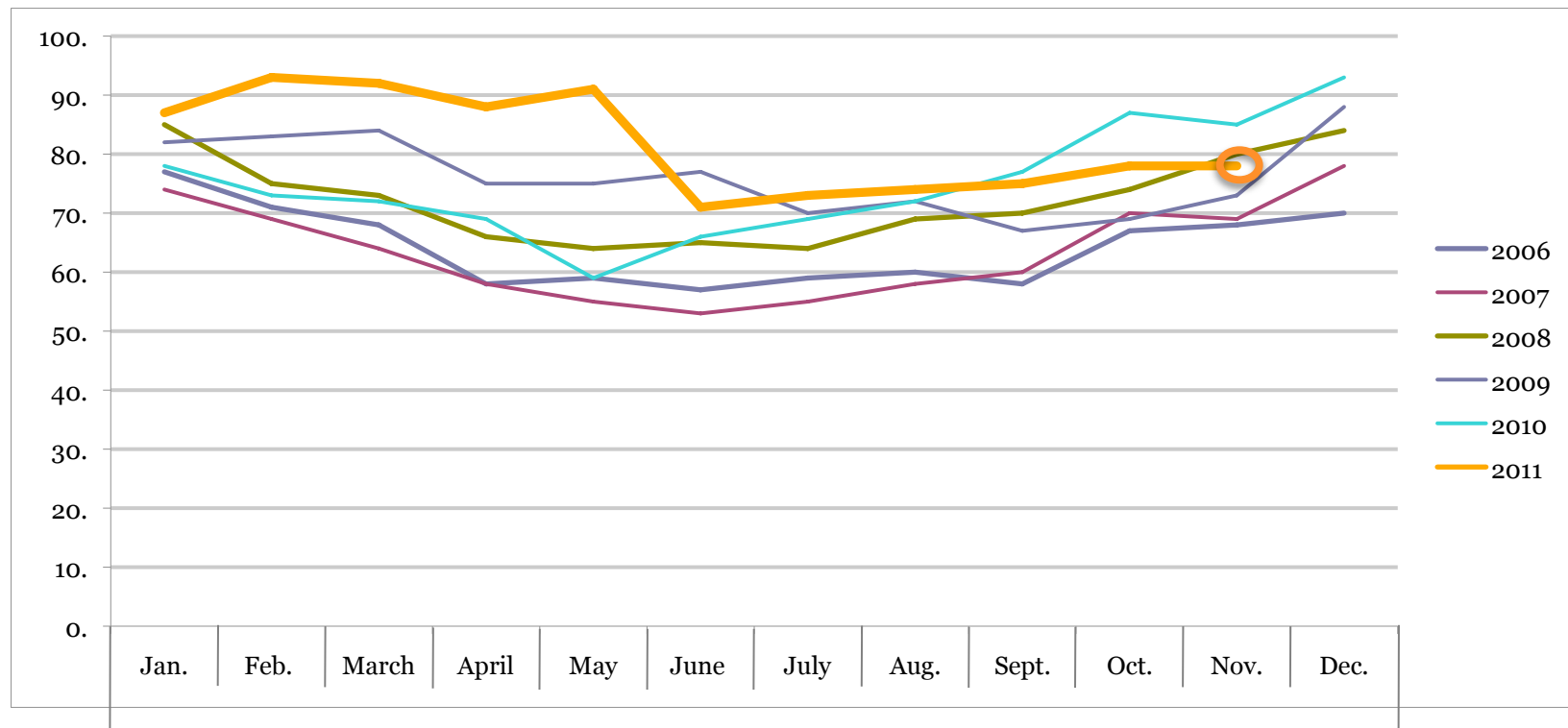


Average Days on Market 2003-2011



9

Homes in July, August and September sold faster than anytime in the last 12 months, usually an indication that buyers are active in the market and sellers have become more realistic about the value of their homes. Of the homes that sold last month, the average amount of days they had been on the market was 78 days. This is 8% 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



Gail Boston,

Partner

REALTOR®

Direct: (512) 626-5348

Email: gail@westaustin.com



Katy Duggan,

REALTOR® CIAS, CDPE

Direct: (512) 826-4316

Email: 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.