Volume II, Issue XI

WEST AUSTIN PROPERTIES

$129.00 Value, not for resale

Real Estate Market Report November 2010

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

www.WestAustinMarketplace.com

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Summary of the Austin Market

The holidays are right around the corner and the market is being somewhat predictable. Home sales are still on the slide downward . Interest rates and steady prices are the two shining lights of our market. Investors should be gearing up to take advantage of the great deals out there in the coming year.

1 Year to Date Sales

14,322 Homes have Sold YTD

-9.94% decrease over last year (3rd year-over-year drop)

2 October Home Sales

1,105 Homes Sold

-58.91% decrease form last year

3 Homes for Sale

10,269 Homes **FOR SALE**

19.62% Increase over last year

This is 7 straight months of year-over-year increases.

4 Pending Home Sales

2,073 Homes Under Contract

40.57% increase from last year

Month's of Inventory

8.82 Month's of Inventory

This is considered a **Normal Balanced Market.**

42.80% Increase over last year.

5 Market Inventories in different Price Ranges

Below $100K = Seller's Market
$100K-$700K = Normal Buyer's Market & Balanced Market
$700K & Up = Extreme Buyer's Market

Top selling Region = Southwest Austin
and
Top selling Zip Codes = 78739 and 78735

6 Average Price

$266,999 average price of homes.

9.60% Increase over last year.

Median Price

$200,000 median price of homes.

7.77% Increase over last year.

7 Days on Market

87 Days—Average Days on Market

20.69% Increase from last year.

See Condo Insert for condo sales and the last page for VERY LOW Interest Rates.

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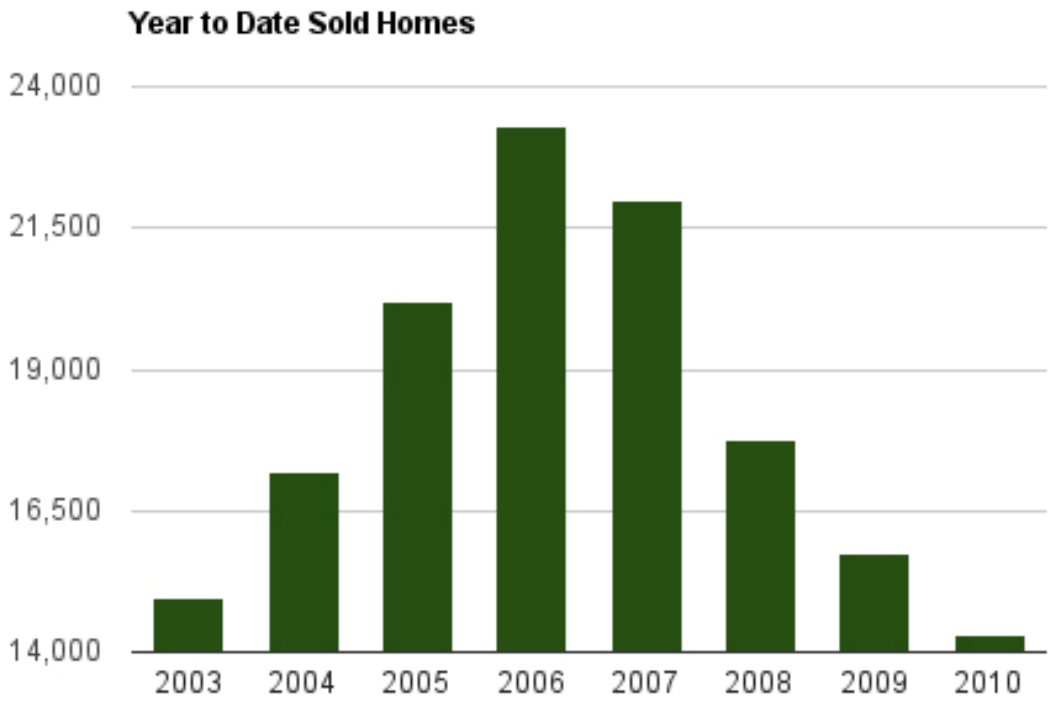
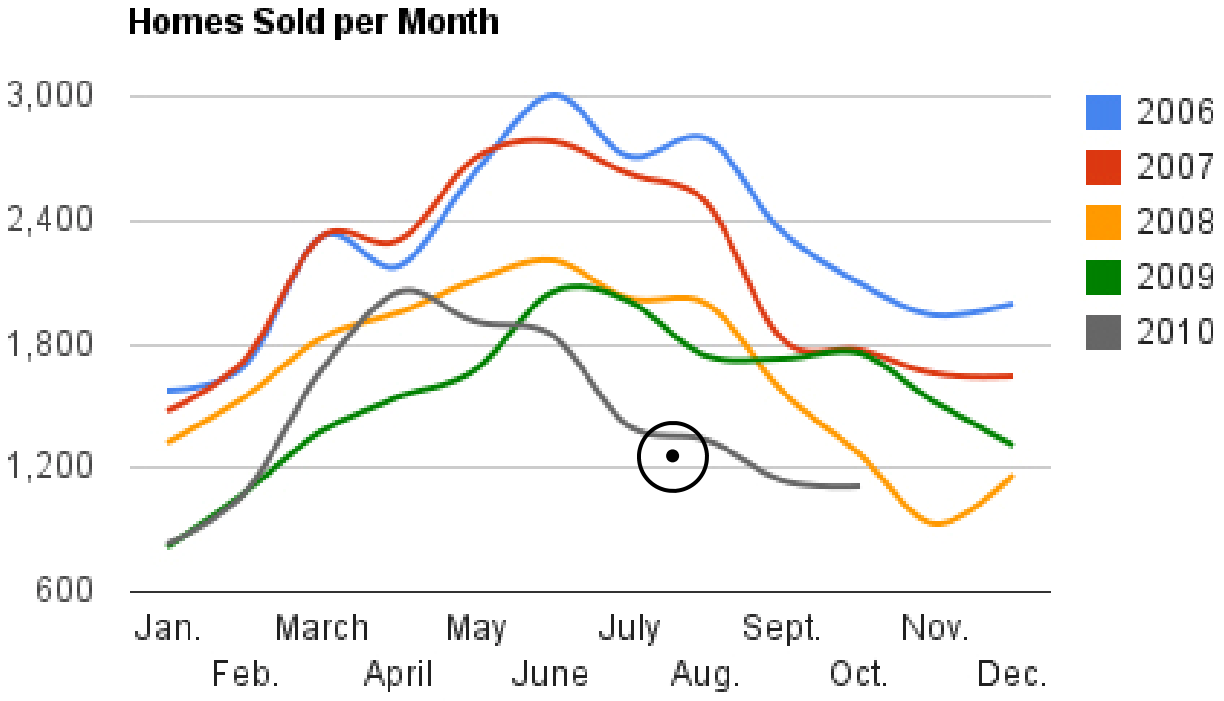
The below chart follows the trends of number of homes sold year-to-date. **14,322** homes sold this year in Austin, Texas. This is **9.94% less** homes sold than this time last year.



The below chart follows the trends of number of sold homes during any given month. Last month **1,105** homes sold in Austin, Texas. This is **59.91% less** sold homes than this month last year.



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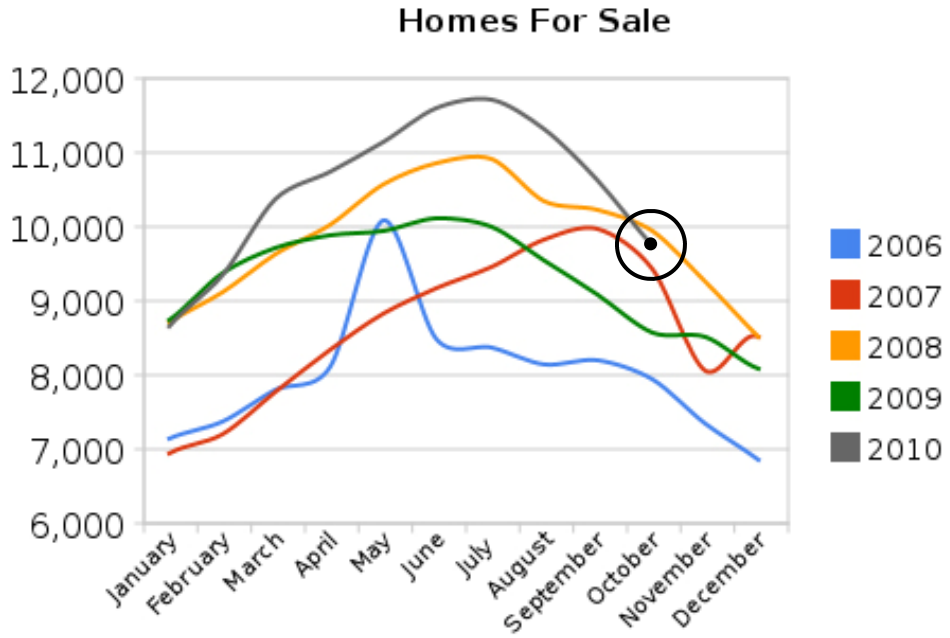
The below chart follows the trends of number of homes for sale during any given month. Last month there were **9,750** homes for sale Austin, Texas. This is **13.57% more** homes on the market than this month last year. **This is 7 straight months of year-over-year increases.**



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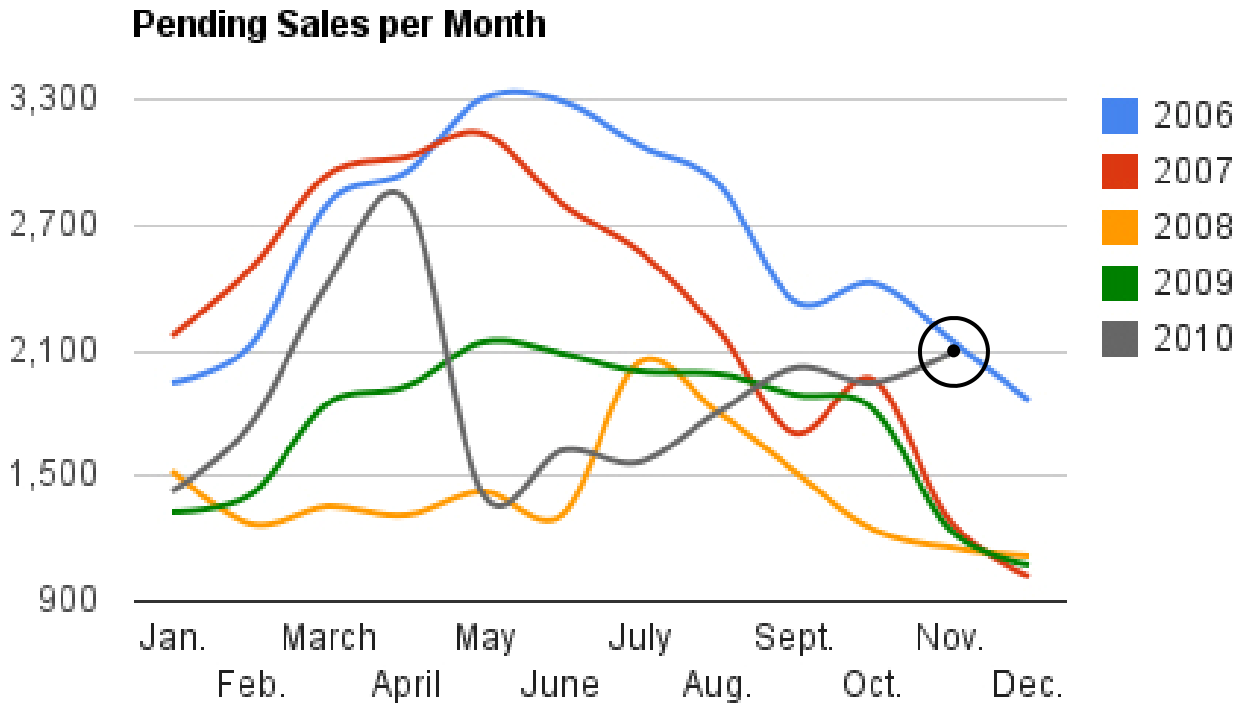
The below chart tracks the number of Pending Sales in the market. These are homes that are Under Contract that have yet to close. This month there are **2,073** homes Pending in Austin, Texas. This is **42.80% more** homes under contract than this month last year.



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5

October 2010 Homes Sales by Price Band					
Price Range	# of Solds	Active Listings	Month's of Inventory	Market	YTD Total
$0-$100K	102	553	5.42	Normal Seller's Market	1,071
$100-$200K	426	3,827	8.98	Balanced Market	6,577
$200-$300K	250	2,303	9.21	Normal Buyer's Market	3,552
$300-$400K	136	1,226	9.01	Normal Buyer's Market	1,862
$400-$500K	57	674	11.82	Normal Buyer's Market	867
$500-$600K	37	409	11.05	Normal Buyer's Market	436
$600-$700K	25	245	9.80	Normal Buyer's Market	270
$700-$800K	14	174	12.43	Extreme Buyer's Market	169
$800-$900K	10	145	14.50	Extreme Buyer's Market	90
$900-$1M	7	131	18.71	Extreme Buyer's Market	73
$1-$2M	18	394	21.89	Extreme Buyer's Market	175
$2-$3M	1	91	91.00	Extreme Buyer's Market	24
$3M<	1	97	97.00	Extreme Buyer's Market	12
Overall MKT	**1,084**	**10,269**	**9.47**	**Normal Buyer's Market**	**15,178**

12+ months of inventory	Extreme Buyer's Market	High depreciation
9-12 month of inventory	Normal Buyer's Market	Moderation depretiation
6-9 months of inventory	Balanced Market	Flat or moderate depreciation
3-6 months of inventory	Normal Seller's Market	Moderate to high appreciation
0-3 months of inventory	Extreme Seller's Market	High appreciation

Austin is experiencing a trickle down effect in the price range bands. As an overall market we are transitioning from a ***Normal Buyer's Market*** to an ***Extreme Buyer's Market***. The upper price ranges have been in an **Extreme Buyer's Market** for some time now. The lower price ranges are now experiencing the same slow down. They were slower to transition due to the Tax Credit incentives, affordability and inertia from sales the past 18 months.

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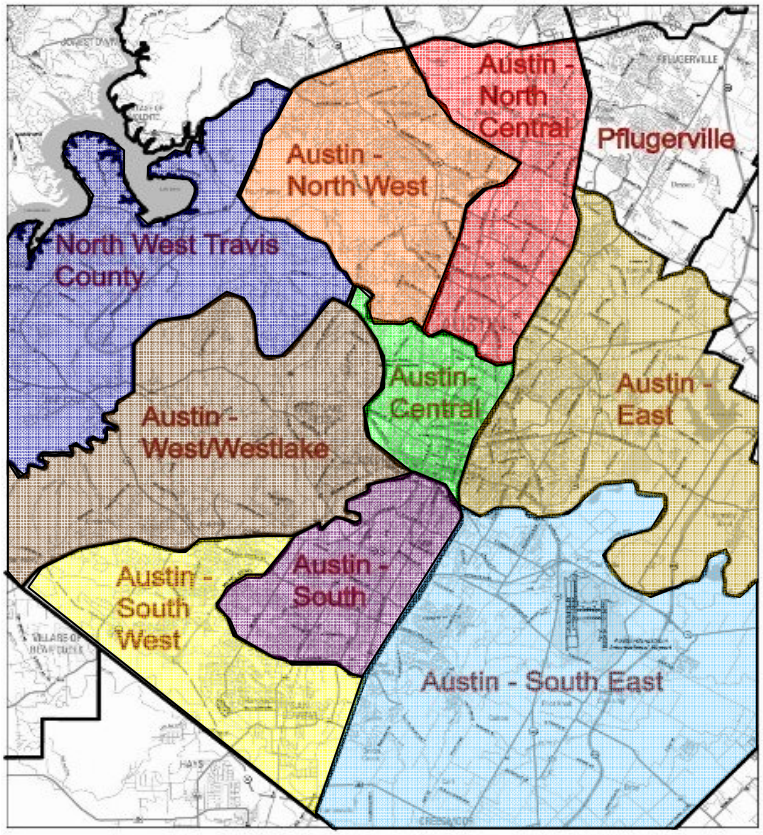
October 2010 Homes Sales by Region					
Region	# of Solds	Active Listings	Month's of Inventory	Avg. Sell Price	Avg. DOM
Central Austin	33	377	11.42	$567,625	94
East Austin	54	590	10.93	$171,023	82
North Central Austin	49	374	7.63	$190,559	76
Northwest Austin	74	476	6.43	$325,470	81
South Austin	62	470	7.58	$275,425	83
Southeast Austin	31	264	8.52	$132,567	69
Southwest Austin	69	346	5.01	$261,636	80
West Austin/Westlake	40	415	10.38	$654,760	99
Northwest Travis Co.	105	1198	11.41	$453,460	96
Cedar Park/Leander	102	895	8.77	$211,464	82
Georgetown	63	664	10.54	$234,310	93
Pflugerville	57	470	8.25	$156,859	83
Round Rock	118	887	7.52	$207,269	81
Dripping Springs/Wimberley	34	414	12.18	$358,539	114

12+ months of inventory	Extreme Buyer's Market	High depreciation
9-12 month of inventory	Normal Buyer's Market	Moderation depretiation
6-9 months of inventory	Balanced Market	Flat or moderate depreciation
3-6 months of invtory	Normal Seller's Market	Moderate to high appreciation
0-3 months of inventory	Extreme Seller's Market	High appreciation

Sales by Region

The above chart provides detail of how well each region of Austin and the surrounding cities are selling. The **Southwest Austin** region continues to outperform the rest of the market. The demand is driven by a great location and low cost of ownership.



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October 2010 Homes Sales by Zip Code					
Zip Code	# of Solds	Active Listings	Month's of Inventory	Avg. Sell Price	Avg. DOM
78701*	8	139	17.38	$570,625	74
78703	11	160	14.55	$646,595	127
78704	25	157	6.28	$401,370	104
78705	5	26	5.20	$324,980	23
78717	16	124	7.75	$249,510	94
78727	13	101	7.77	$188,515	69
78730	7	98	14.00	$543,136	159
78731	18	154	8.56	$631,306	94
78732	21	136	6.48	$434,428	81
78733	5	90	18.00	$684,930	90
78734	22	350	15.91	$419,841	74
78735	20	88	4.40	$512,775	94
78739	22	83	3.77	$321,988	77
78746	12	195	16.25	$974,979	82
78749	22	112	5.09	$240,900	60
78750	22	111	5.05	$346,591	74
78759	21	114	5.43	$327,612	78

** includes condo sales*

12+ months of inventory	Extreme Buyer's Market	High depreciation
9-12 month of inventory	Normal Buyer's Market	Moderation depretiation
6-9 months of inventory	Balanced Market	Flat or moderate depreciation
3-6 months of inventory	Normal Seller's Market	Moderate to high appreciation
3 months of inventory	Extreme Seller's Market	High appreciation

Sales by Zip Code

The above chart provides detail of how well each Zip Code of Austin are selling. The **78739** and **78735** zip codes are currently outperforming the rest of the market. Both zip codes are in Southwest Austin. The demand is driven by a great location, proximity to downtown and low cost of owner-ship.

Central Austin
78701
78703
78704
78705
78731

Northwest Austin
78717
78727
78750
78759

Northwest Travis Co.
78730
78732
78734

Southwest Austin
78739
78749

West Austin/Westlake
78733
78735
78746

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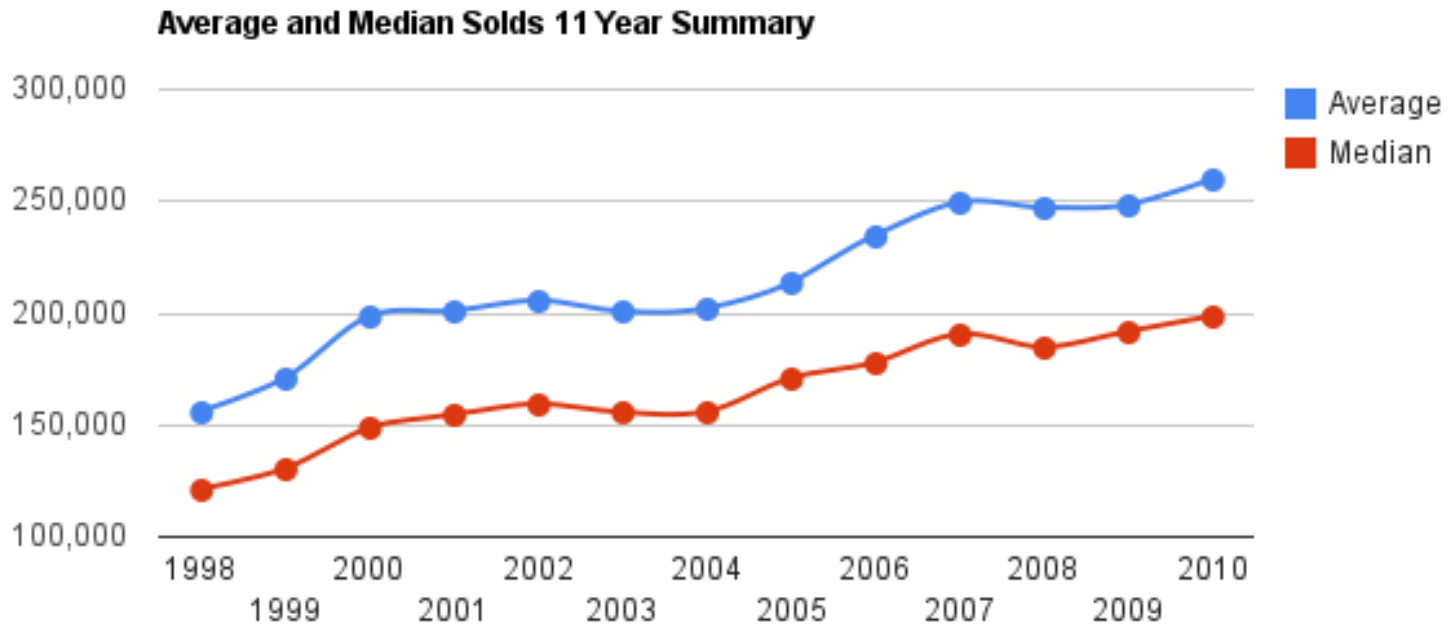
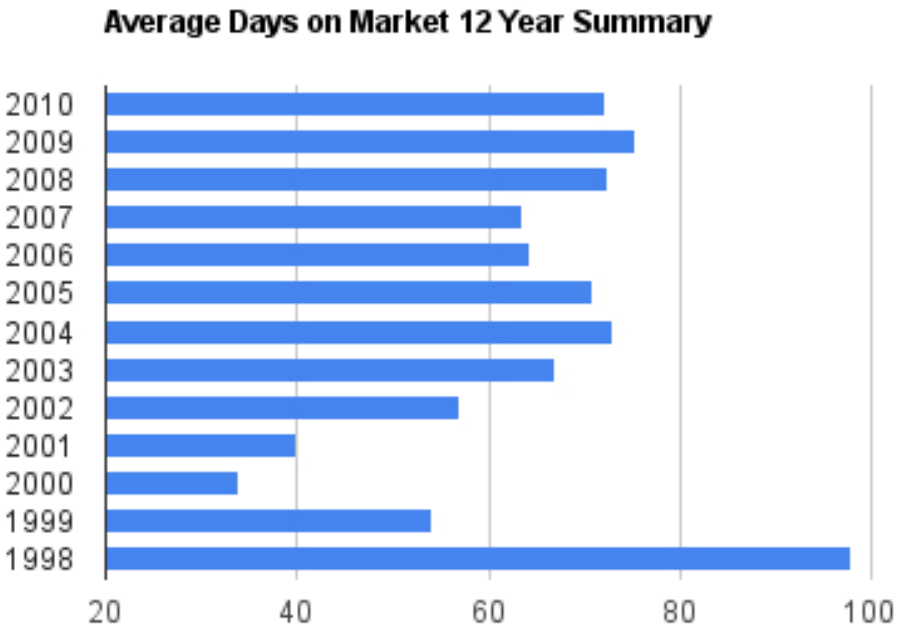


The chart above follows the trend of average and median sales price per year. Last month the average sales price was **$266,999**. The median sold price was **$200,000** last month. The average sales price is **up 5.05%** and the median sales price is up **6.68%.**

The below chart tracks average amount of days it takes to sell a home in Austin. Last month, it took **87 days** on average to sell. This is a **20.69% decrease from** this time last year.

7



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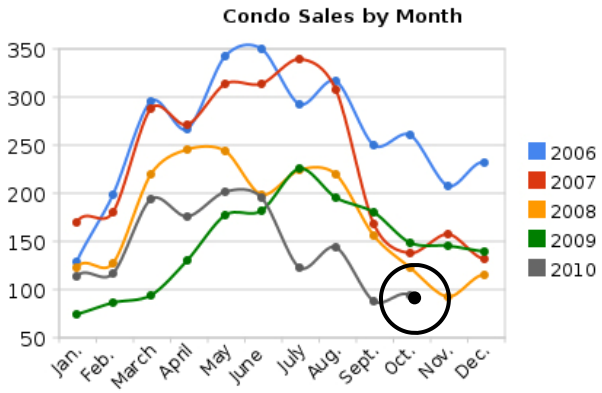
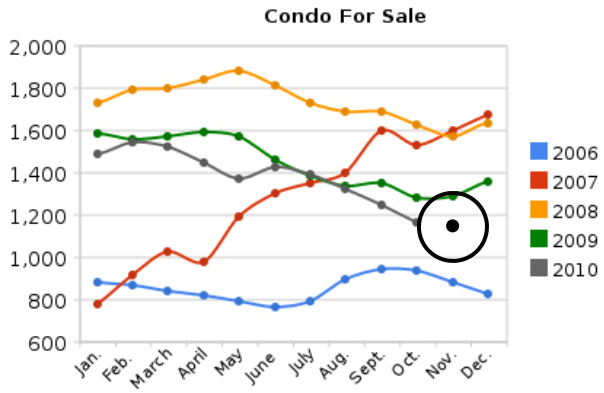
Condo Market Insert

The condo market rises and falls alongside the housing market. It is independent from housing in terms of supply and demand, price ranges and days on market.

Last Month, **94** condos sold. This is a **57.45% decrease** in sales from this time last year.





There are currently **1,164 condos for sale**. This is **down 10.40%** from this time last year. Inventory is starting to shrink.

October 2010 Condo Total Market Sales by Price Band				
Price Range	Number of Solds	Active Listings	Month's of Inventory	Market
$0-$100K	20	170	8.50	Balanced Market
$100-$200K	46	508	11.04	Normal Buyer's Market
$200-$300K	16	257	16.06	Extreme Buyer's Market
$300-$400K	10	137	13.70	Extreme Buyer's Market
$400-$500K	6	60	10.00	Normal Buyer's Market
$500-$600K	1	27	27.00	Extreme Buyer's Market
$600-$700K	1	15	15.00	Extreme Buyer's Market
$700-$800K	0	15	N/A	Extreme Buyer's Market
$800-$900K	0	9	N/A	Extreme Buyer's Market
$900-$1M	0	4	N/A	Extreme Buyer's Market
$1M<	2	25	12.50	Extreme Buyer's Market
TOTAL	**102**	**1,227**	**12.03**	**Extreme Buyer's Market**

12+ months of inventory	Extreme Buyer's Market	High depreciation
9-12 month of inventory	Normal Buyer's Market	Moderation depretiation
6-9 months of inventory	Balanced Market	Flat or moderate depreciation
3-6 months of inventory	Normal Seller's Market	Moderate to high appreciation
3 months of inventory	Extreme Seller's Market	High appreciation

There is a condo inventory of **12.03 month's supply** and means we have an overall **Extreme Buyer's Market**. From all the red on the above chart, the prediction is that it will continue to slide further into an Ex-

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Condo Market Insert

Sales by Region

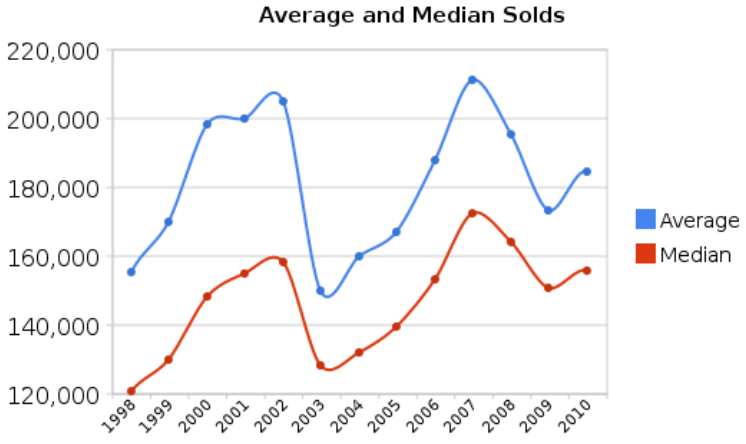
The below chart provides detail of how well each region of Austin and the surrounding cities are selling. The **Cedar Park/Leander** and **Round Rock** region's are outperforming the rest of the market.

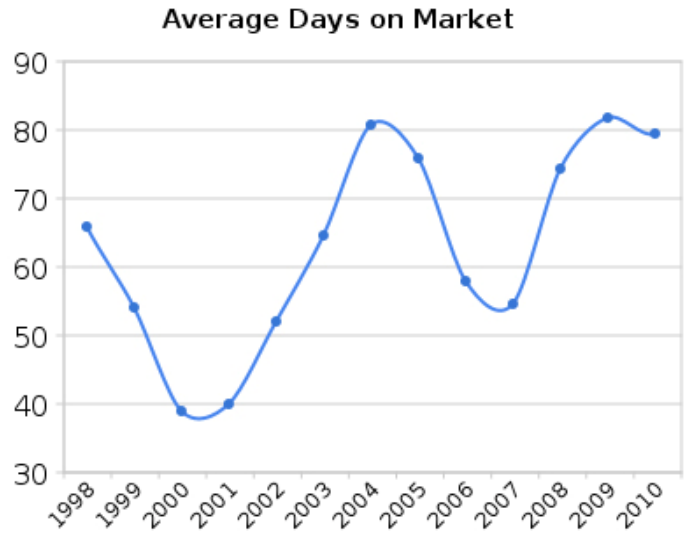
September 2010 Condo Sales by Region			
Region	Number of Solds	Active Listings	Month's of Inventory
Central Austin	26	345	13.27
East Austin	5	73	14.60
North Central Austin	7	122	17.43
Northwest Austin	9	136	15.11
South Austin	12	159	13.25
Southeast Austin	3	84	28.00
Southwest Austin	1	24	24.00
West Austin/Westlake	6	58	9.67
Northwest Travis Co.	13	115	8.85
Cedar Park/Leander	6	12	2.00
Georgetown	1	15	15.00
Pflugerville	0	2	N/A
Round Rock	3	19	6.33
Dripping Springs/Wimberley	0	3	N/A
Total	**92**	**1,167**	12.68

12+ months of inventory	Extreme Buyer's Market	High depreciation
9-12 month of inventory	Normal Buyer's Market	Moderation depretiation
6-9 months of inventory	Balanced Market	Flat or moderate depreciation
3-6 months of invtory	Normal Seller's Market	Moderate to high appreciation
0-3 months of inventory	Extreme Seller's Market	High appreciation

The average condo sold for **$217,941 up 15.47%** over last year and the median home price was **$170,000 up 7%** over last year.

The average number of days to sell a condo is **93 days. This is a decrease of 4.12%**





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Investor Market Insert

With about **17%** of all sales being Foreclosures and Short Sales, the Austin market is prime for investors to help turn it around and make strong returns. This report outlines short sale and foreclosure sales, best zip codes to invest in, estimated returns on the investment and multi-family sales.

October 2010	Sales	Percentage	October 2009	Percentage
Foreclosure Sales	175	15.83%	172	9.78%
Short Sales	11	.99%	18	.01%
Total Distressed Sales	186	16.83%	190	10.80%
Total Sales	1,105		1,759	

Strong Performing Zip Codes

78721—East Austin

Month's of Inventory	14.00
Low Selling Price	$77,777
Average Selling Price	$103,882
Average Rent	$1,175
Cap Rate	8.02%
Cash on Cash Return	32.09%

78724—East Austin

Month's of Inventory	16.75
Low Selling Price	**$55,000**
Average Selling Price	$88,353
Average Rent	$1,095
Cap Rate	**10.83%**
Cash on Cash Return	**43.33%**

78728—East Austin

Month's of Inventory	**20.67**
Low Selling Price	$105,500
Average Selling Price	$116,433
Average Rent	**$1,375**
Cap Rate	7.37%
Cash on Cash Return	29.48%

78744—South East Austin

Month's of Inventory	6.92
Low Selling Price	$60,000
Average Selling Price	$96,877
Average Rent	$1,163
Cap Rate	10.28%
Cash on Cash Return	41.14%

Multi Family Sales (Duplex and Fourplex)

Duplex Sales **-29.82%** Average Prices $178,804 **-3.32%**

Fourplex Sales **-31.43%** Average Prices $183,414 **-18.94%**

All information presented above is estimated and in no way represents the actual returns of individual properties. Data pulled from the Austin/ Central Texas Multiple Listing Service. Strong performing Zip codes are based on single family homes.

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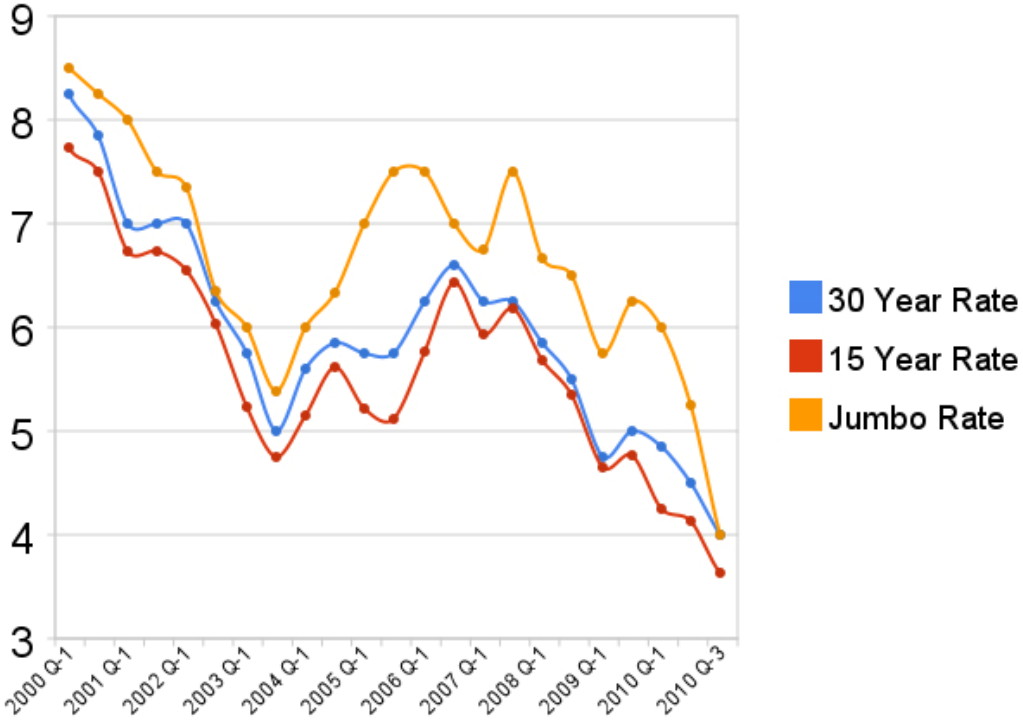
Mortgage Rates - A 10 Year History



The above chart tracks mortgage rates for the past 10 years. As you can see, mortgage rates are at an all time low. Current

CONFORMING		JUMBO (over $417K loan amount)	
30 Yr Fixed	3.875%, 1 pt.	30 Yr Fixed	5.125%, 1 pt.
15 Yr Fixed	3.625%, 1 pt.	7 Yr ARM	4.125%, 1 pt.

West Austin Properties can provide you with a more specific analysis for either your home or your buying price range. Please contact us for more information.

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