



Real Estate Market Report December 2010



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


www.WestAustinMarketplace.com




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**
16,408 Homes have Sold YTD
-6.97% decrease over last year
(4rd year-over-year drop in a row)





② **October Home Sales**
1,100 Homes Sold
-37.82% decrease form last year






③ **Homes for Sale**
9,741 Homes **FOR SALE**
19.62% Increase over last year
This is 8 straight months of year-over-year increases.



④ **Pending Home Sales**
1,915 Homes Under Contract
40.97% increase from last year
Month's of Inventory
8.72 Month's of Inventory
This is considered a
Normal Buyer's Market.
33.53% Increase over last year.





⑤ **Market Inventories in different Price Ranges**
Below \$100K = Seller's Market
\$100K-\$600K = Normal Buyer's Market & Balanced Market
\$600K & Up = Extreme Buyer's Market




Top selling **Region** = Southwest Austin
and
Top selling **Zip Codes** = 78759 and 78739

⑥ **Average Price**
\$251,582 average price of homes.
3.47% Increase over last year.
Median Price
\$185,500 median price of homes.
2.96% Increase over last year.



⑦ **Days on Market**
85 Days—Average Days on Market
14.12% Increase from last year.



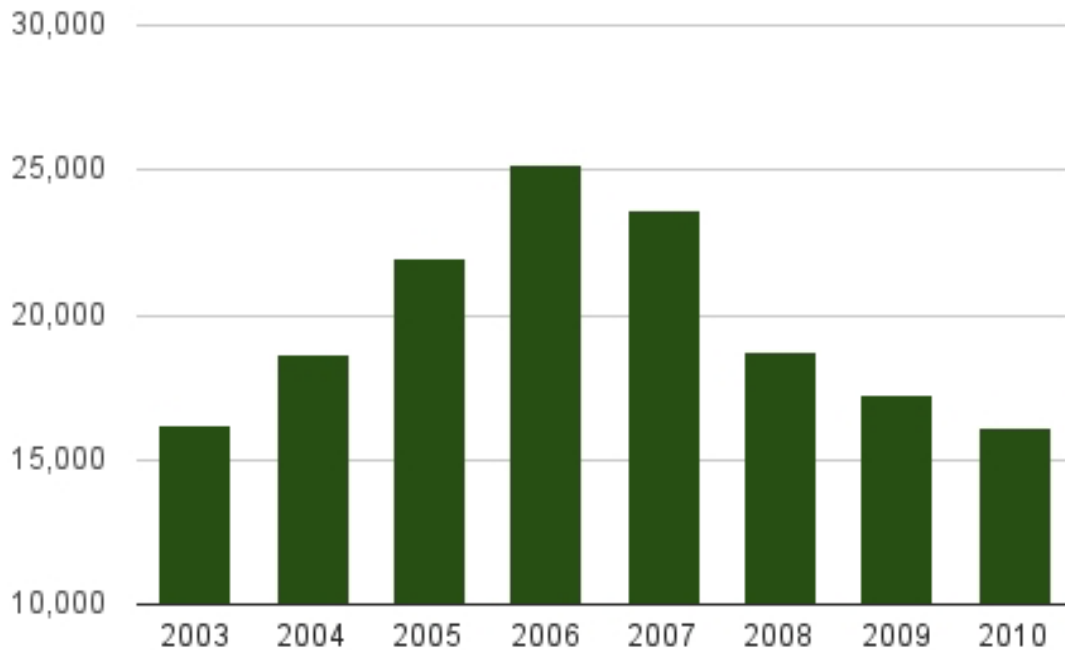
Bonus Sections: Condo Insert, Investor Insert and Mortgage Insert.



1

The below chart follows the trends of number of homes sold year-to-date. **16,408** homes sold this year in Austin, Texas. This is **6.97% less** homes sold than this time last year.

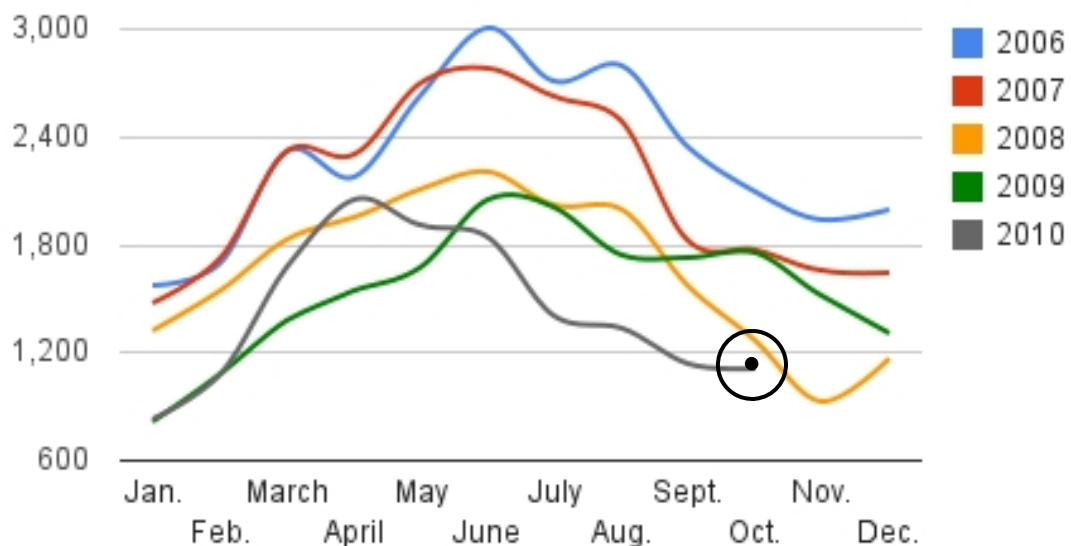
Year-to Date Sales November 2010



2

The below chart follows the trends of number of sold homes during any given month. Last month **1,100** homes sold in Austin, Texas. This is **37.82% less** sold homes than this month last year.

Homes Sold per Month

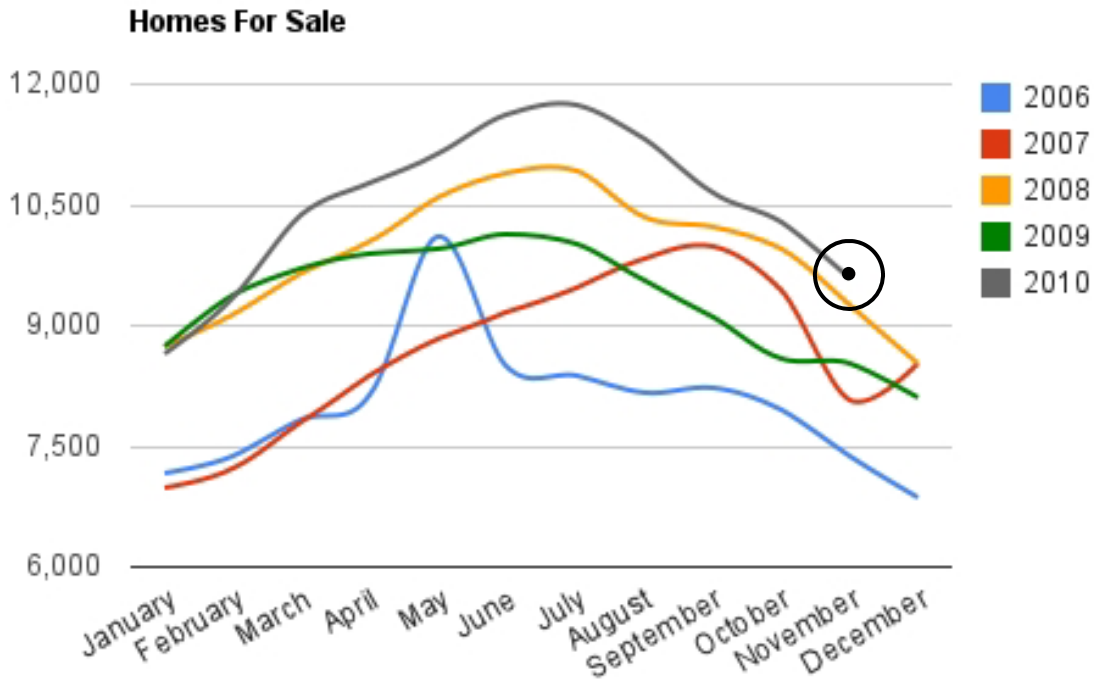


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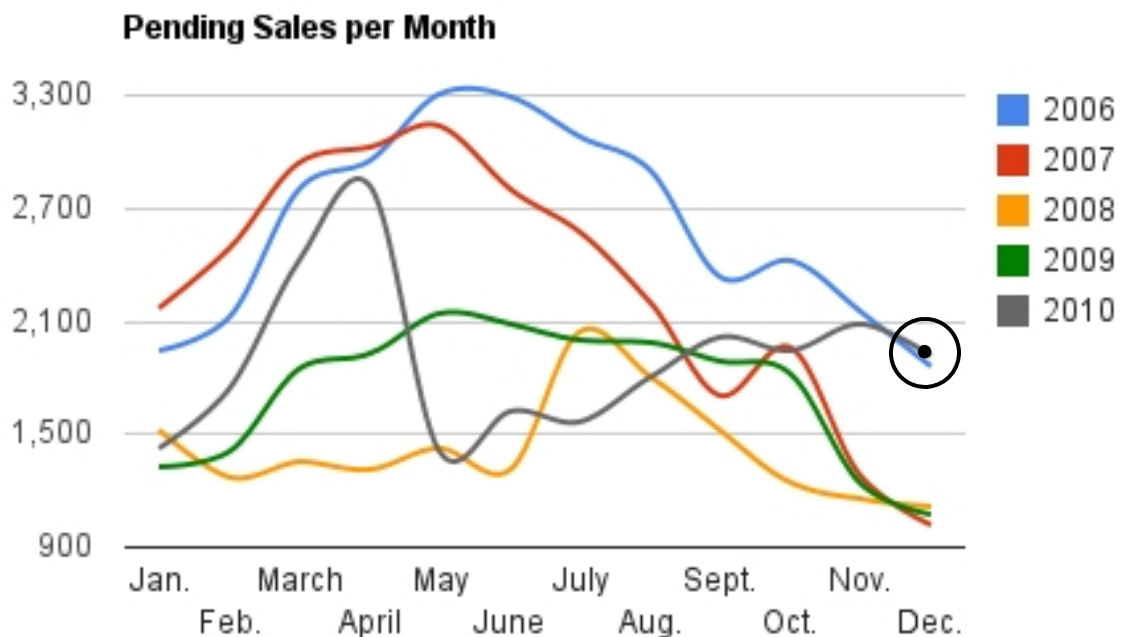
WEST AUSTIN
PROPERTIES

The below chart follows the trends of number of homes for sale during any given month. Last month there were **9,741** homes for sale Austin, Texas. This is **19.62% more** homes on the market than this month last year. **This is 8 straight months of year-over-year increases.**



4

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 **1,915** homes Pending in Austin, Texas. This is **40.97% more** homes under contract than this month last year.





November 2010 Homes Sales by Price Band

Price Range	# of Solds	Active Listings	Month's of Inventory	Market	YTD Total
\$0-\$100K	114	561	4.92	Normal Seller's Market	1,201
\$100-\$200K	464	3,640	7.84	Balanced Market	7,233
\$200-\$300K	228	2,176	9.54	Normal Buyer's Market	3,825
\$300-\$400K	133	1,156	8.69	Normal Buyer's Market	1,993
\$400-\$500K	64	620	9.69	Normal Buyer's Market	889
\$500-\$600K	33	379	11.48	Normal Buyer's Market	454
\$600-\$700K	13	235	18.08	Extreme Buyer's Market	261
\$700-\$800K	11	167	15.18	Extreme Buyer's Market	172
\$800-\$900K	12	134	11.17	Normal Buyer's Market	107
\$900-\$1M	5	127	25.40	Extreme Buyer's Market	68
\$1-\$2M	10	371	37.10	Extreme Buyer's Market	170
\$2-\$3M	1	81	81.00	Extreme Buyer's Market	25
\$3M<	2	94	47.00	Extreme Buyer's Market	10
Overall MKT	1,090	9,741	8.94	Balanced Market	16,408
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 in the past 18 months.

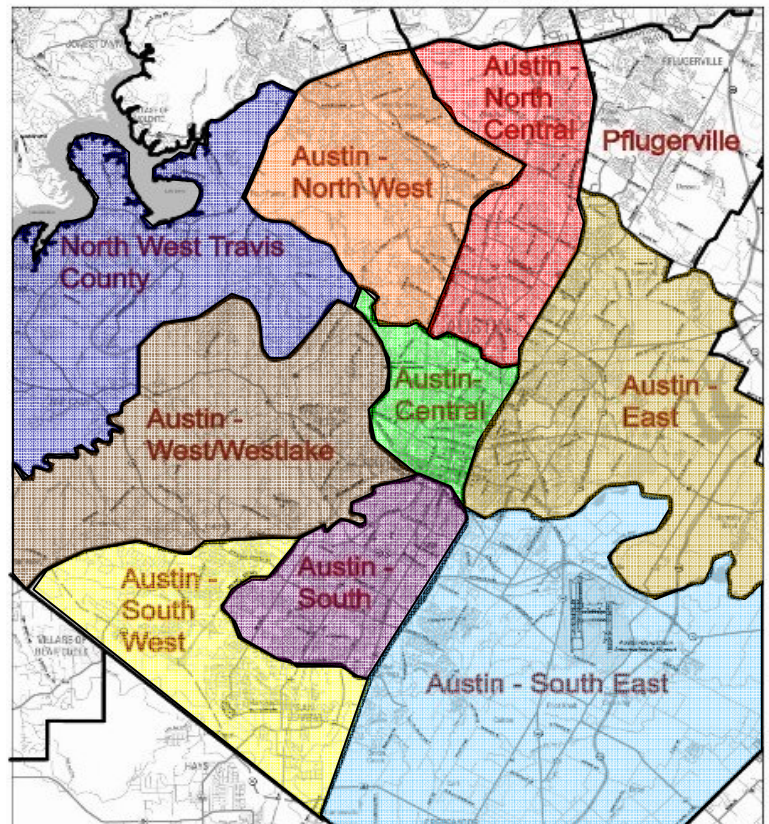


November 2010 Homes Sales by Region

Region	# of Solds	Active Listings	Month's of Inventory	Avg. Sell Price	Avg. DOM
Central Austin	38	342	9.00	\$551,961	81
East Austin	47	572	12.17	\$160,483	71
North Central Austin	53	355	6.70	\$181,604	67
Northwest Austin	77	431	5.60	\$315,499	62
South Austin	66	445	6.74	\$235,849	64
Southeast Austin	25	259	10.36	\$128,124	73
Southwest Austin	62	345	5.56	\$274,908	73
West Austin/Westlake	45	378	8.40	\$723,660	90
Northwest Travis Co.	87	1145	13.16	\$385,733	105
Cedar Park/Leander	111	827	7.45	\$194,659	84
Georgetown	65	627	9.65	\$220,353	106
Pflugerville	68	437	6.43	\$148,287	78
Round Rock	108	866	8.02	\$217,630	77
Dripping Springs/Wimberley	29	385	13.28	\$302,635	92
12+ months of inventory		Extreme Buyer's Market		High depreciation	
9-12 month of inventory		Normal Buyer's Market		Moderation depreciation	
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	

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.





November 2010 Homes Sales by Zip Code

Zip Code	# of Solds	Active Listings	Month's of Inventory	Avg. Sell Price	Avg. DOM
78701*	9	126	14.00	\$570,625	74
78703	16	140	8.75	\$646,595	127
78704	16	150	9.38	\$401,370	104
78705	4	26	6.50	\$324,980	23
78717	23	114	4.96	\$249,510	94
78727	10	89	8.90	\$188,515	69
78730	1	102	102.00	\$543,136	159
78731	19	135	7.11	\$631,306	94
78732	18	137	7.61	\$434,428	81
78733	8	85	10.63	\$684,930	90
78734	27	325	12.04	\$419,841	74
78735	4	76	19.00	\$512,775	94
78739	21	89	4.24	\$321,988	77
78746	20	178	8.90	\$974,979	82
78749	22	110	5.00	\$240,900	60
78750	14	98	7.00	\$346,591	74
78759	28	107	3.82	\$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 **78759** and **78739** 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 ownership.

Central Austin

78701
78703
78704
78705
78731

Northwest Austin

78717
78727
78750
78759

Northwest Travis Co.

78730
78732
78734

Southwest Austin

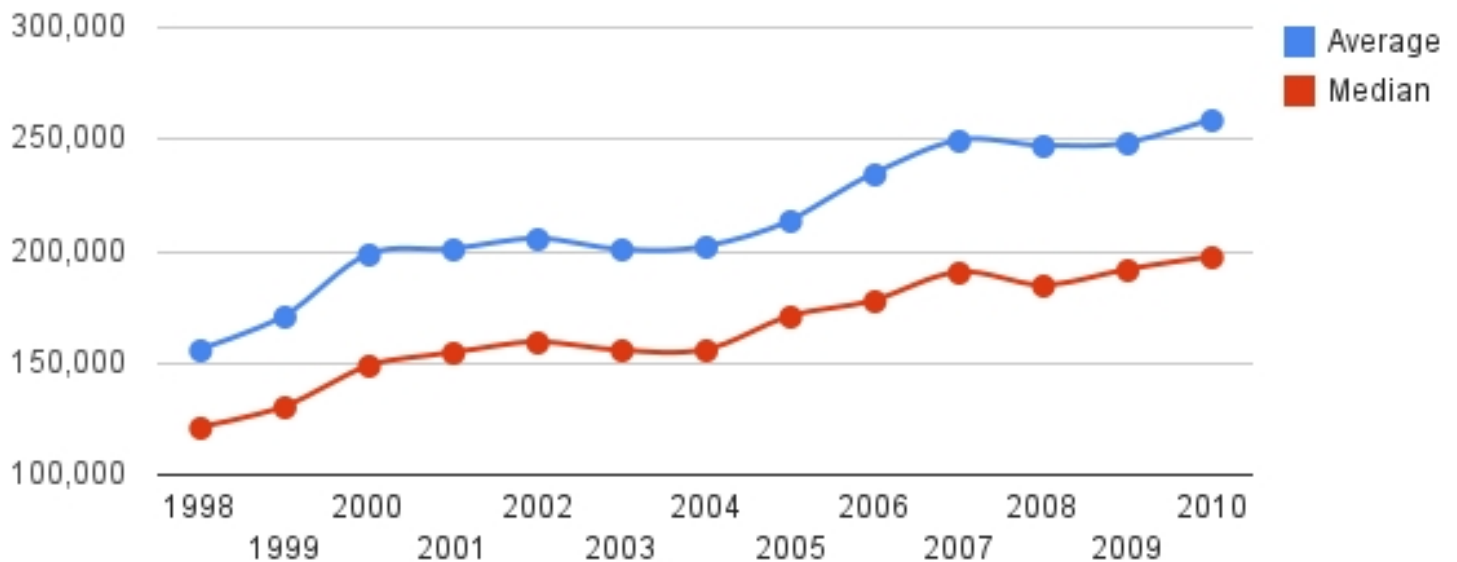
78739
78749

West Austin/Westlake

78733
78735
78746



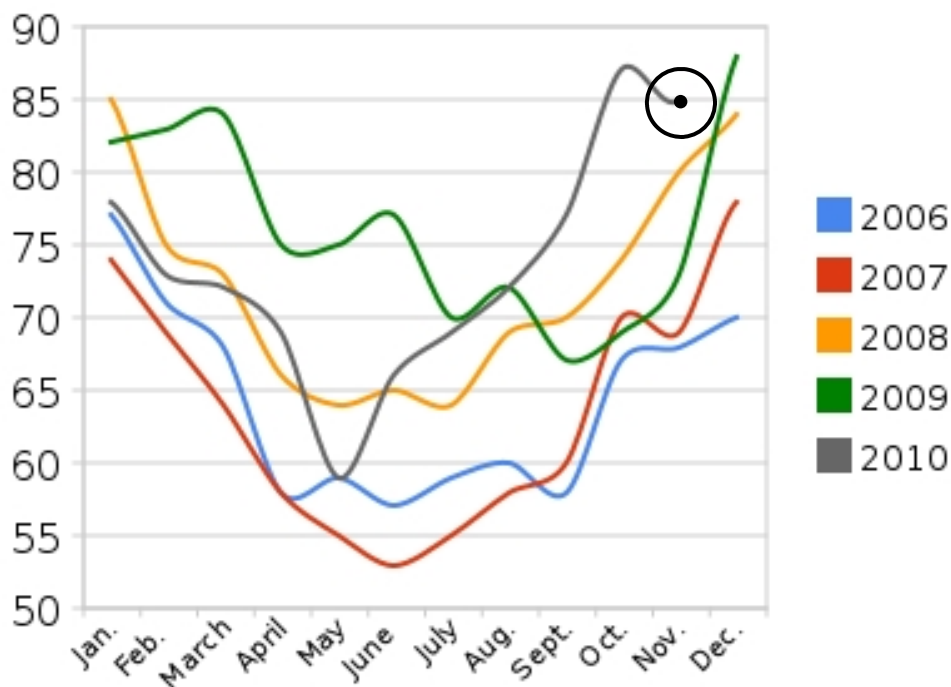
Average and Median Solds 11 Year Summary



The chart above follows the trend of average and median sales price per year. Last month the average sales price was **\$251,852**. The median sold price was **\$185,500** last month. The average sales price is **up 3.47%** and the median sales price is up **2.96%**.

The below chart tracks average amount of days it takes to sell a home in Austin. Last month, it took **85 days** on average to sell. This is a **14.12% longer** than this time last year.

Average Days on Market 2003-2010

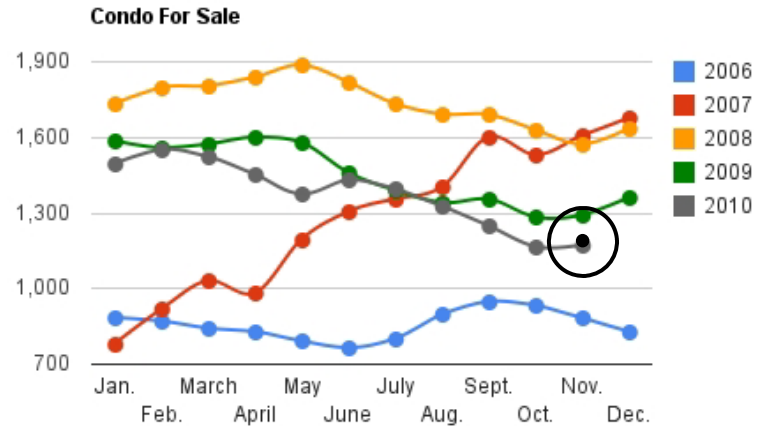
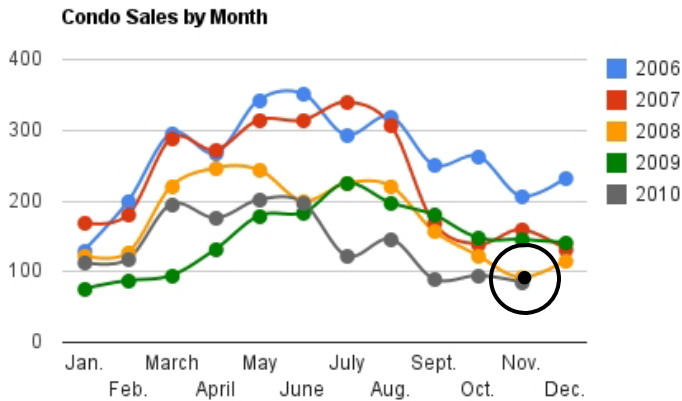




Condo Market Insert

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, **84** condos sold. This is a **73.81% de-**



There are currently **1,167 condos for sale**. This is **down 10.28%** from this time last year. Inventory is starting to shrink.

November 2010 Condo Total Market Sales by Price Band				
Price Range	Number of Solds	Active Listings	Month's of Inventory	Market
\$0-\$100K	16	162	10.13	Normal Buyer's Market
\$100-\$200K	38	480	12.63	Normal Buyer's Market
\$200-\$300K	18	247	13.72	Extreme Buyer's Market
\$300-\$400K	4	134	33.50	Extreme Buyer's Market
\$400-\$500K	4	60	15.00	Normal Buyer's Market
\$500-\$600K	0	29	N/A	Extreme Buyer's Market
\$600-\$700K	1	13	13.00	Extreme Buyer's Market
\$700-\$800K	2	12	6.00	Normal Seller's Market
\$800-\$900K	1	7	7.00	Balanced Market
\$900-\$1M	0	4	N/A	Extreme Buyer's Market
\$1M<	0	25	N/A	Extreme Buyer's Market
TOTAL	84	1,173	13.96	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 **13.96 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 Extreme Buyer's Market.



Condo Market Insert

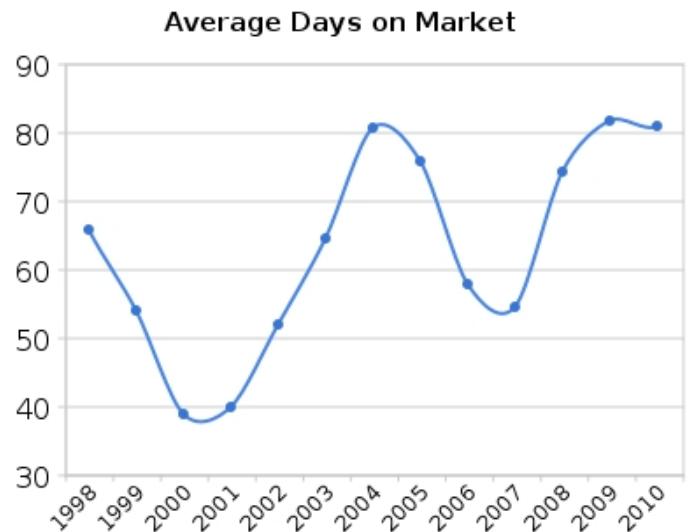
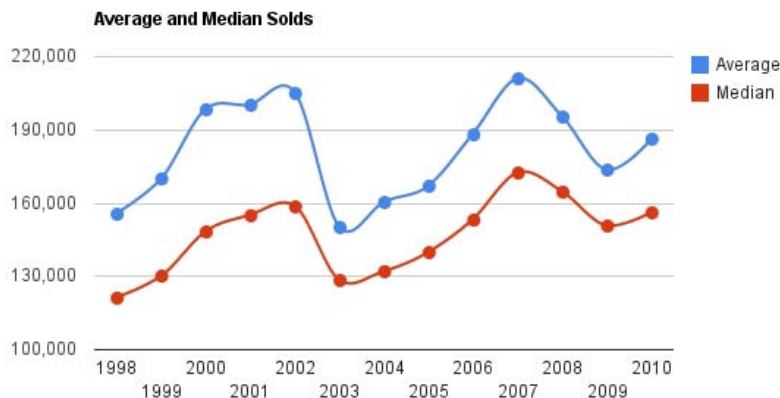
Sales by Region

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

November 2010 Condo Sales by Region			
Region	Number of Solds	Active Listings	Month's of Inventory
Central Austin	20	316	15.80
East Austin	6	64	10.67
North Central Austin	12	120	10.00
Northwest Austin	6	138	23.00
South Austin	11	158	14.36
Southeast Austin	6	81	13.50
Southwest Austin	2	18	9.00
West Austin/Westlake	5	54	10.80
Northwest Travis Co.	11	112	10.18
Cedar Park/Leander	2	17	8.50
Georgetown	0	13	N/A
Pflugerville	1	2	2.00
Round Rock	0	18	N/A
Dripping Springs/Wimberley	0	4	N/A
Total	82	1,115	13.60
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 **\$204,819 up 19.90%** over last year and the median home price was **\$159,900 up 6.19%** over last year.

The average number of days to sell a condo is **97 days. This is a decrease of 1.03%**





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.

November 2010	Sales	Percentage	November 2009	Percentage
Foreclosure Sales	177	16.24%	183	10.49%
Short Sales	26	2.39%	16	.92%
Total Distressed Sales	203	18.62%	199	11.41%
Total Sales	1,090		1,759	



Strong Performing Zip Codes

78721—East Austin

Month's of Inventory	8.00
Low Selling Price	\$43,000
Average Selling Price	\$82,558
Average Rent	\$1,175
Cap Rate	14.96%
Cash on Cash Return	59.84%

78641—North Cedar Park

Month's of Inventory	7.98
Low Selling Price	\$59,000
Average Selling Price	\$176,354
Average Rent	\$1,313
Cap Rate	5.88%
Cash on Cash Return	23.54%

78741—South East Austin

Month's of Inventory	5.60
Low Selling Price	\$49,000
Average Selling Price	\$123,914
Average Rent	\$1,350
Cap Rate	11.24%
Cash on Cash Return	44.95%

78744—South East Austin

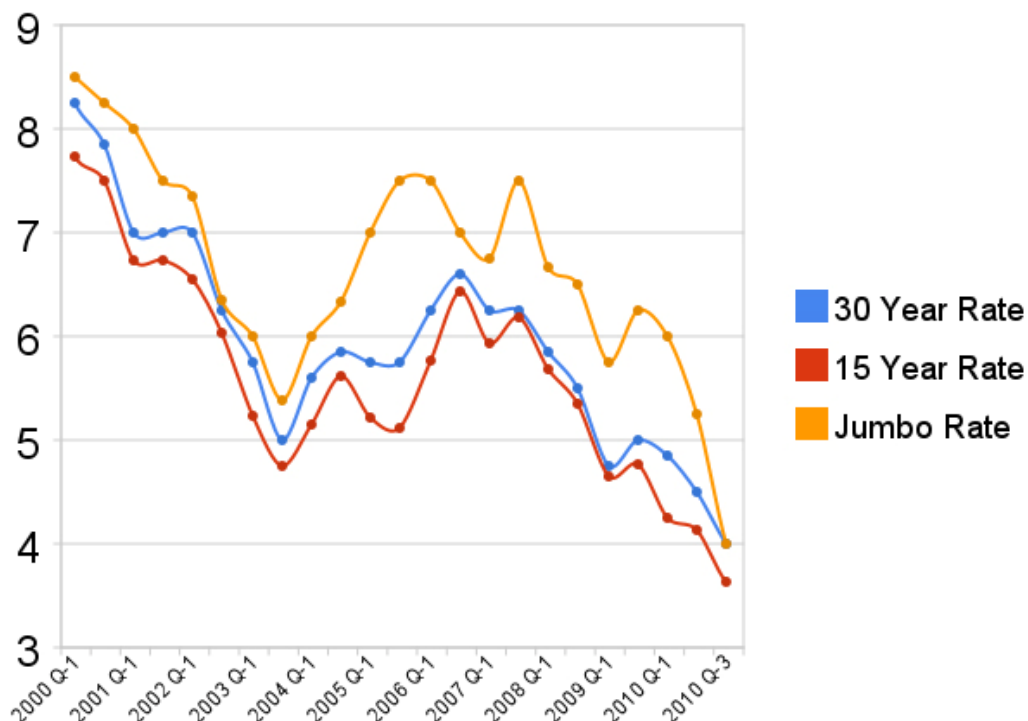
Month's of Inventory	14.57
Low Selling Price	\$50,000
Average Selling Price	\$97,354
Average Rent	\$1,350
Cap Rate	11.43%
Cash on Cash Return	45.74%

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

30 Yr Fixed 4.375%, 1 pt.
15 Yr Fixed 3.75%, 1 pt.

JUMBO (over \$417K loan amount)

30 Yr Fixed 5.375%, 1 pt.
7 Yr ARM 4.375%, 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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