

CENTRAL TEXAS HOUSING MARKET REPORT

January 2017

Provided by Austin Board of REALTORS®

JANUARY 2017 EXECUTIVE SUMMARY

The Central Texas housing market got off to a strong start in January 2017, with single-family home sales increasing 7.0 percent year-over-year in the Austin-Round Rock Metropolitan Statistical Area (MSA) and nearly 10 percent year-over-year in the City of Austin.

Driven by rapid population growth and consecutive years of strong housing demand, the local market areas with critically low housing inventory levels have expanded from Austin's city limits into multiple surrounding areas, such as Williamson County. In January 2017, monthly housing inventory in the City of Austin remained unchanged from the year prior at 1.4 months.

Area home prices continued to rise at a near double-digit pace, with the median home price in the five-county MSA increasing 9.8 percent from January 2016 to \$279,990. Steady, significant price growth has markedly shifted the price ranges of homes available upward in local market areas, fundamentally changing what housing types and price ranges are considered "affordable" in those communities. At the same time, housing affordability and development policy decisions in Austin are having a ripple effect across the region.

This new and expanded Central Texas Housing Market Report has been created by the Austin Board of REALTORS® to further explore these evolving housing market conditions and regional housing affordability challenges on a more hyper-local level. Full January 2017 housing market statistics for the Austin-Round Rock MSA; Hays, Travis and Williamson counties; and the city of Austin can be found below as well as at www.ABoR.com/StatsJan17.

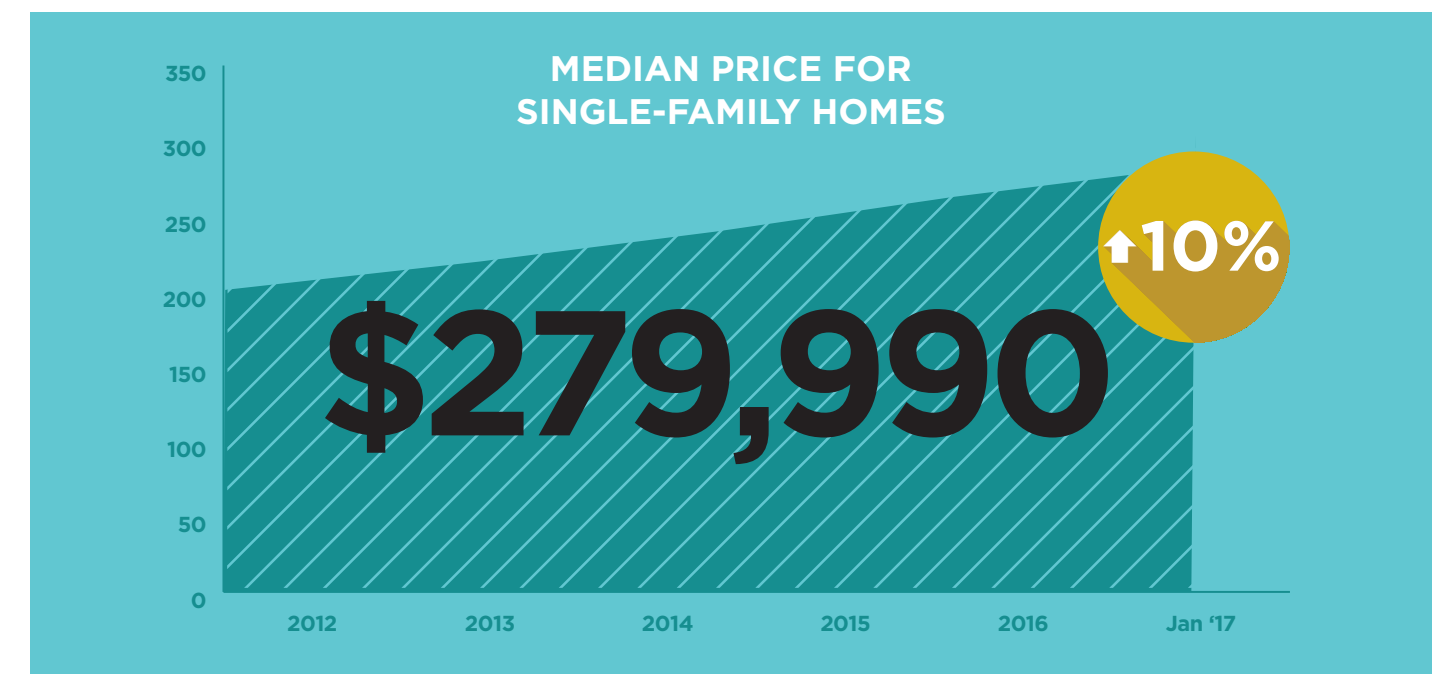
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The Austin-Round Rock housing market experienced a strong start to 2017, with single-family home sales gains in the City Austin, Hays County and Travis County in January 2017.



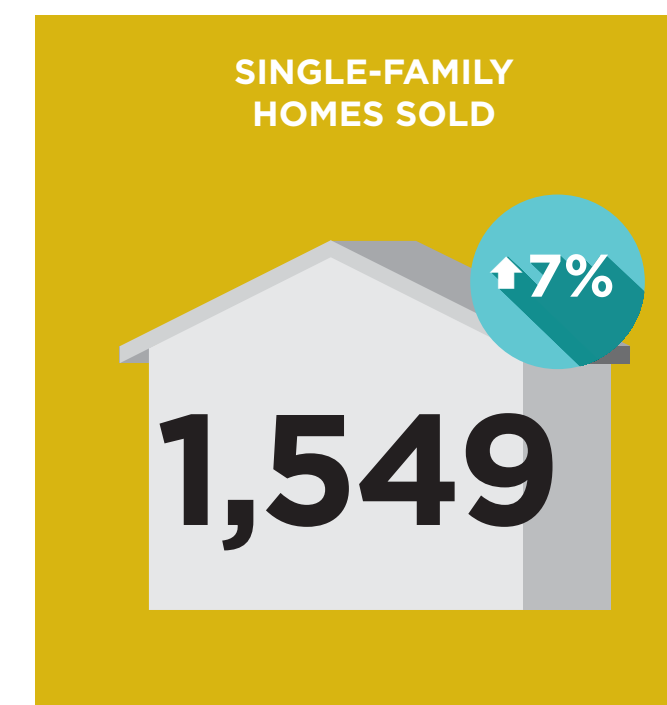
Single-Family Home Sales

Single-family home sales in the Austin-Round Rock MSA rose 7.0 percent year-over-year to 1,549 home sales in January 2017. Seventy percent of homes sold in the five-county area last month were sold outside of Austin's city limits. Across the MSA, the sales volume of homes priced under \$250,000 is declining significantly, while the sales volume of homes priced between \$400,000-\$750,000 is experiencing double-digit growth.



Median Price

The median price for single-family homes in the Austin-Round Rock MSA rose 9.8 percent year-over-year to \$279,990 in January 2017. The sales dollar volume of single-family homes sold in the five-county area in January 2017 was \$551,708,011, an 18.7 percent jump from January 2016.



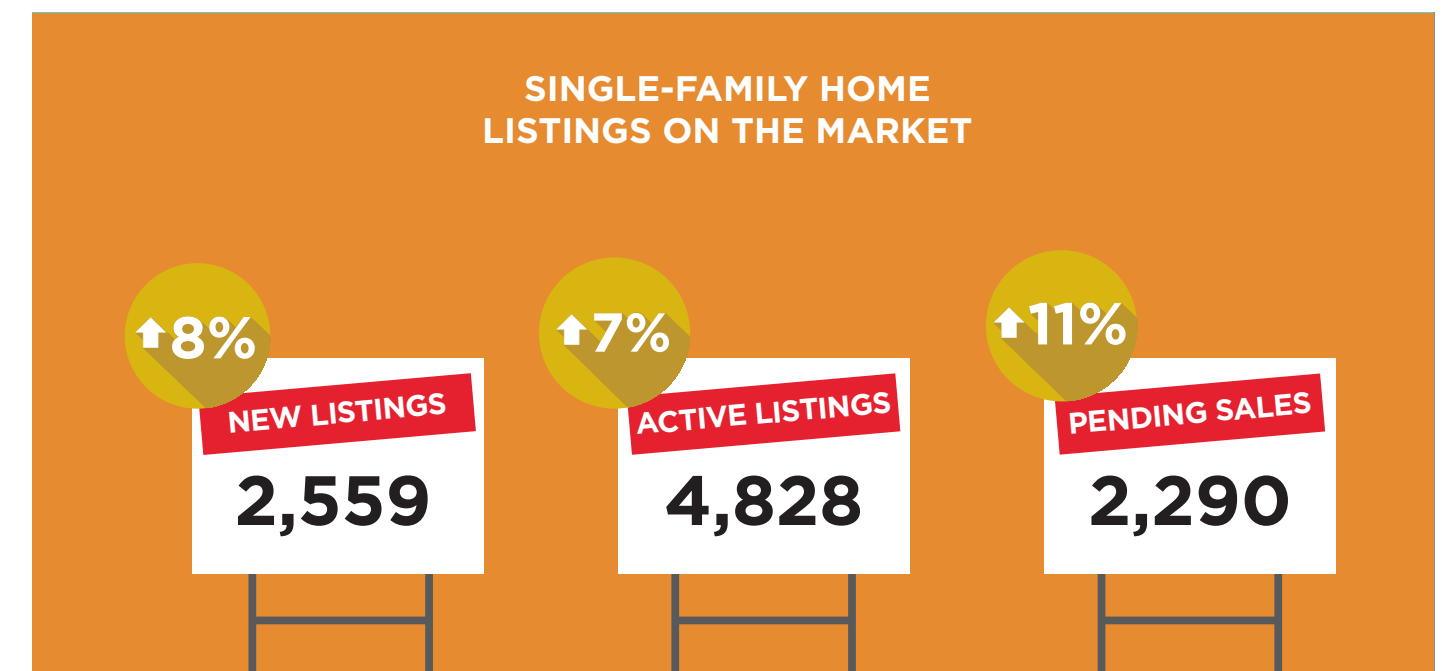
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For the last year, housing inventory levels across the five-county MSA have dropped below 3.0 months and, in some local market areas, less than 1.0 months. Strong housing demand throughout the region continues to offset ongoing housing development with little impact in inventory.



Monthly Housing Inventory

Housing inventory in the Austin-Round Rock MSA increased 0.1 months from January 2016 to 2.0 months of inventory, well below the Real Estate Center at Texas A&M University's estimation of 6.0-6.5 months of inventory as a balanced housing market. Across the region, housing inventory is lowest in Austin and Williamson County, particularly Round Rock.



Listing Activity

In January 2017, single-family homes in the Austin-Round Rock MSA spent an average of 59 days on the market, one day more than January 2016. During the same time frame, active listings increased 7.0 percent to 4,828 listings, new listings increased 7.5 percent to 2,559 listings, and pending sales jumped 10.5 percent to 2,290 pending sales.



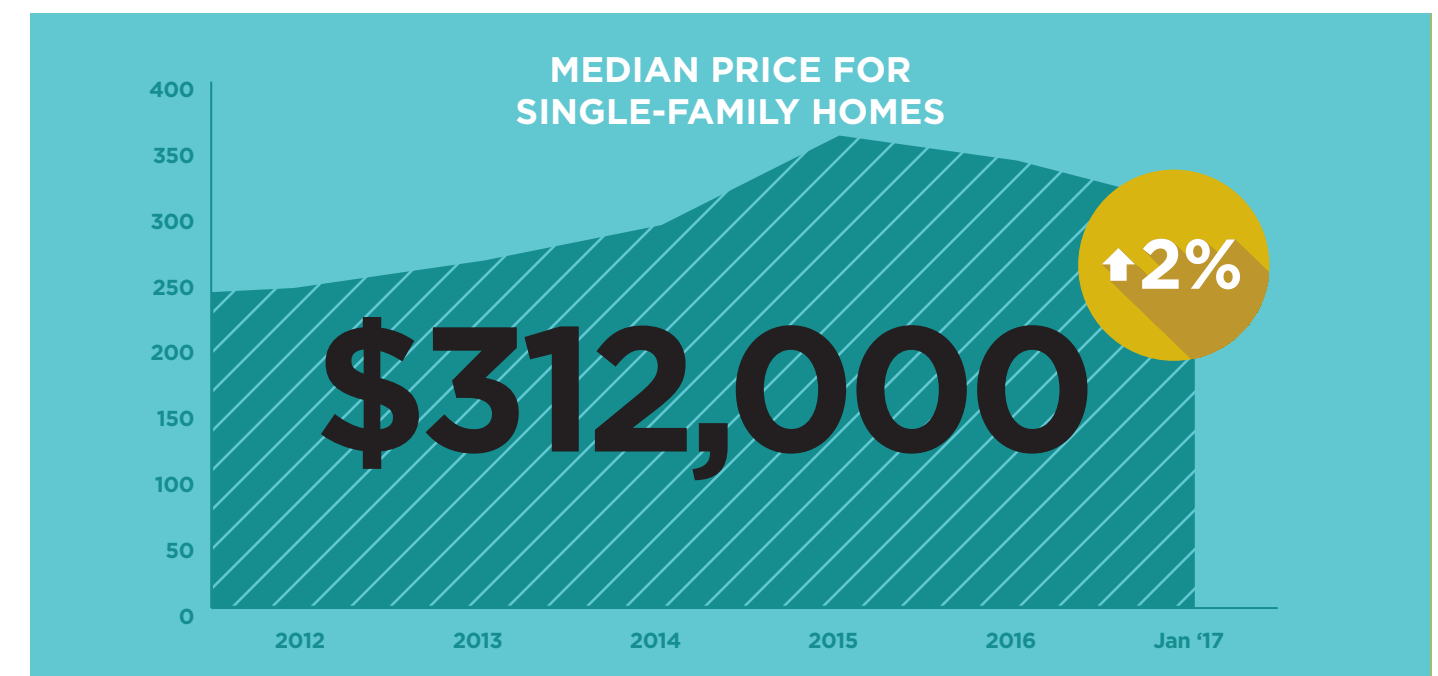
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Single-family home sales in the City of Austin have experienced significant annual gains for the last several months, despite having one of the lowest housing inventory levels in the region. At the same time, the pace of home price growth has begun to slow to a less aggressive pace.



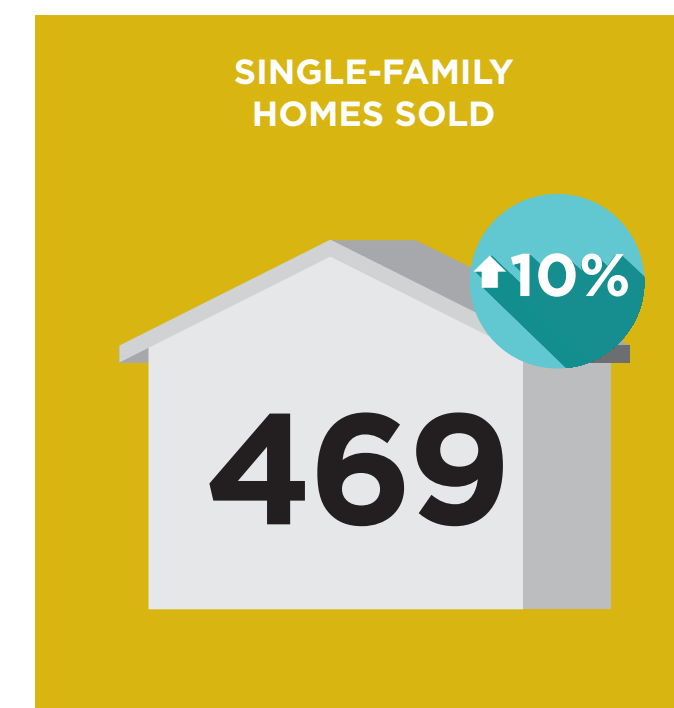
Single-Family Home Sales

Single-family home sales in the City of Austin rose 9.8 percent year-over-year to 469 home sales in January 2017. More than half of Austin home sales volume in January 2017 was homes priced between \$200,000 and \$400,000. Sales of single-family homes priced under \$200,000 - cited by the Real Estate Center at Texas A&M University as a budget threshold for entry-level buyers - decreased by double digits year over year.



Median Home Price

The median price for single-family homes in the City of Austin rose 2.3 percent year-over-year to \$312,000 in January 2017. The sales dollar volume of single-family homes sold in Austin city limits in January 2017 was \$188,840,479, a 15.2 percent increase from January 2016.



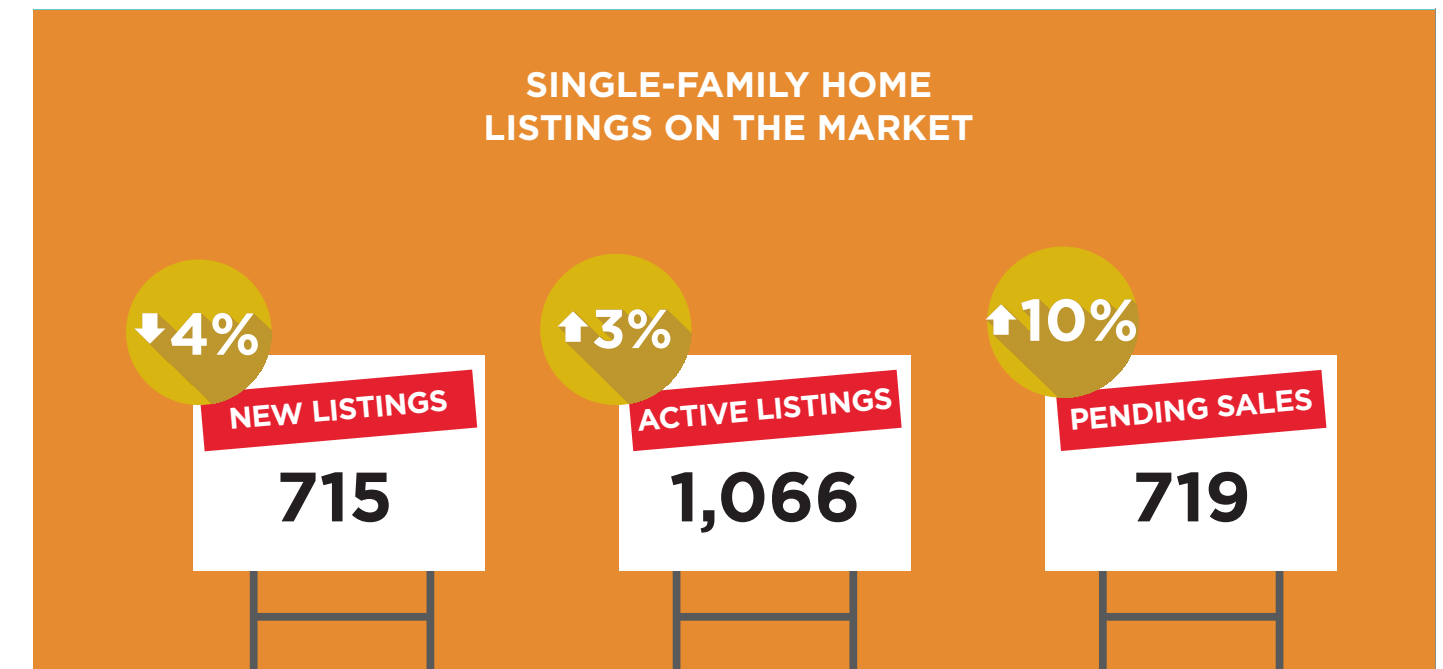
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Housing inventory levels in the City of Austin continue to remain critically low. Strong pending sales activity in January 2017 indicates that home sales growth could continue to rise in the coming months.



Monthly Housing Inventory

Housing inventory in the City of Austin remained unchanged from January 2016 at 1.4 months of inventory, well below the Real Estate Center at Texas A&M University's estimation of 6.0-6.5 months of inventory as a balanced housing market. In January 2017, the monthly housing inventory for homes priced under \$300,000 in the City of Austin was less than one month of inventory, which is essentially nonexistent.



Listing Activity

In January 2017, single-family homes in the City of Austin spent an average of 50 days on the market, four more days than in January 2016. During the same time frame, active listings increased 2.5 percent to 1,066 listings, new listings declined 4 percent to 715 listings, and pending sales increased 9.9 percent to 719 pending sales.

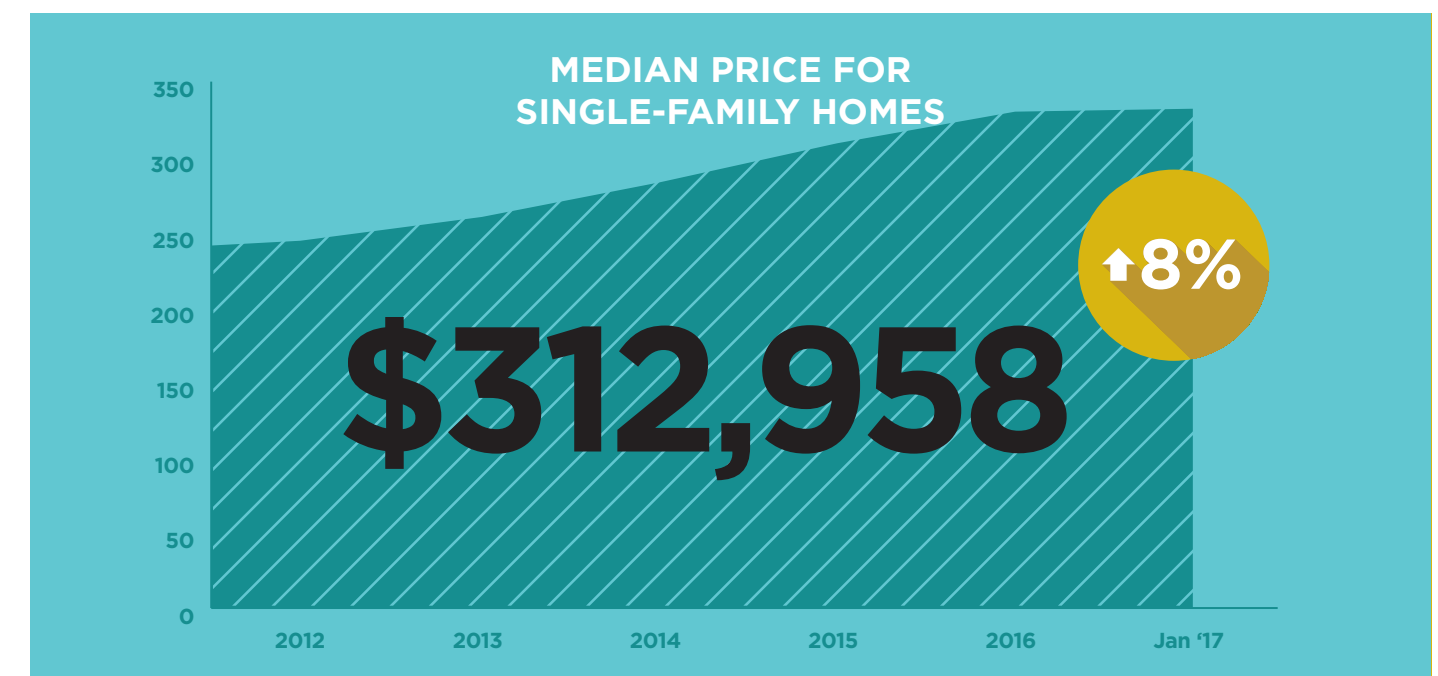


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Single-family home sales growth in Travis County continues to be driven by a resurgence of sales activity in the City of Austin. At the same time, median home prices in Travis County are among the highest in the region.

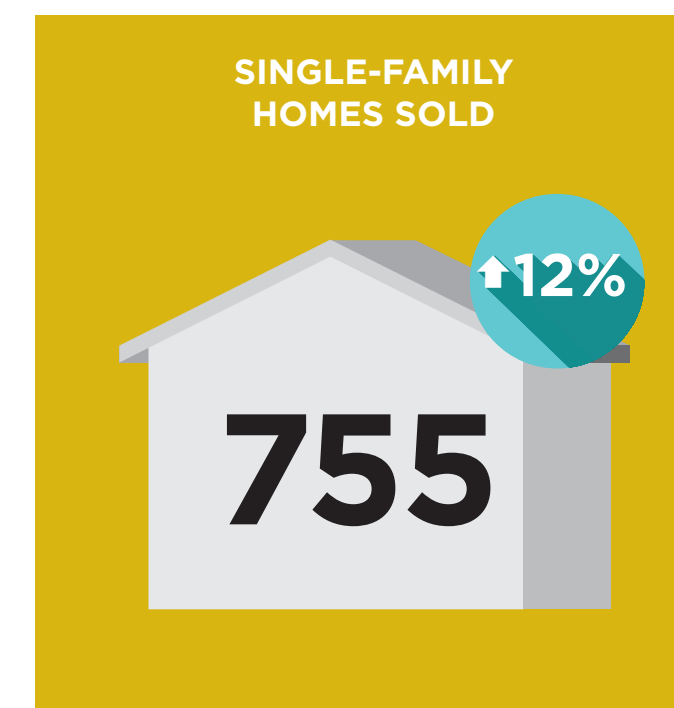
Single-Family Home Sales

Single-family home sales in Travis County rose 11.9 percent year-over-year to 755 home sales in January 2017. Outside of Austin, single-family home sales increased 22.2 percent year-over-year in Lago Vista to 11 home sales and 65 percent in Lakeway to 33 home sales. Conversely, single-home sales dropped 15.6 percent to 54 home sales in Pflugerville and 46.7 percent in Manor to eight home sales.



Median Home Price

The median price for single-family homes in Travis County rose 7.9 percent year-over-year to \$312,958 in January 2017. In areas outside of Austin, the median price rose 2.7 percent to \$236,000 in Pflugerville, 2.3 percent to \$264,900 in Lago Vista. Conversely, median price in Lakeway declined 18.9 percent year-over-year to \$472,500 during the same time frame.



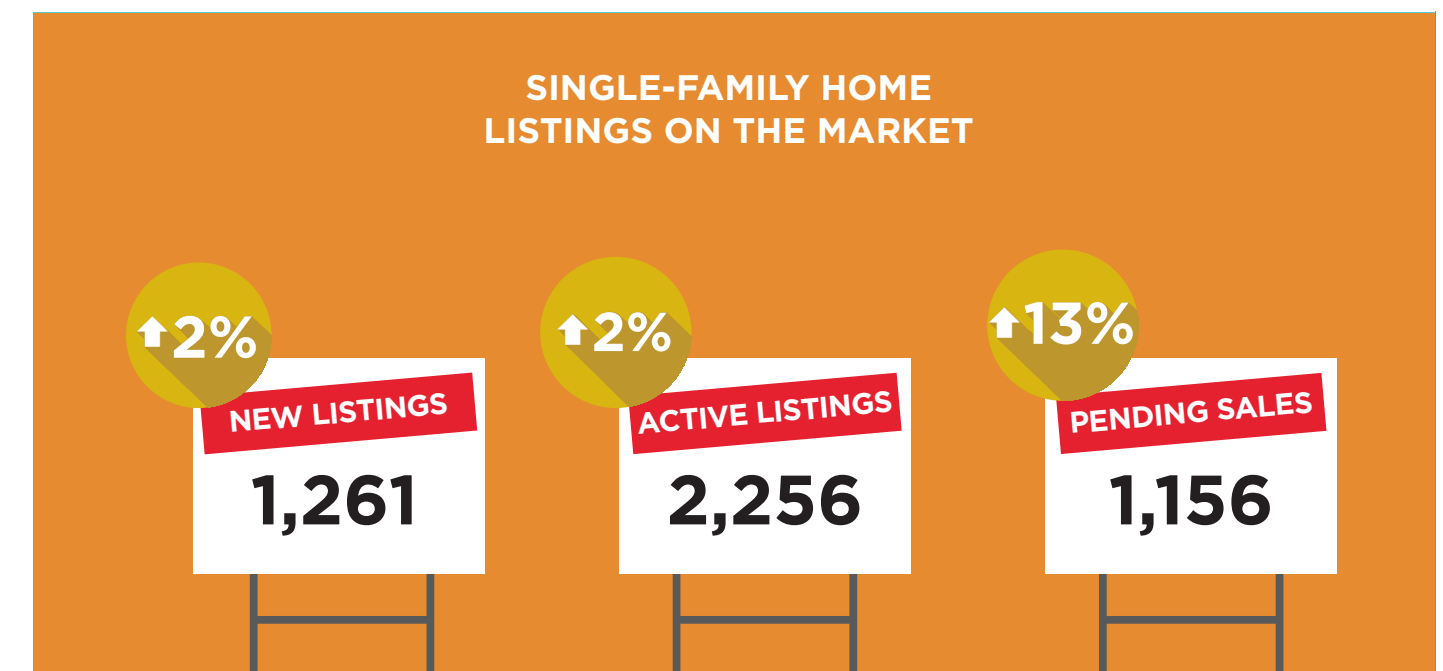
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Outside of Austin, local housing inventory levels are lowest in Travis County markets with the lowest home prices, as Austin residents look further and further outside the city limits for available homes priced under \$250,000.



Monthly Housing Inventory

Housing inventory in Travis County declined 0.1 months from January 2016 to 1.8 months of inventory, well below the Real Estate Center at Texas A&M University's estimation of 6.0-6.5 months of inventory as a balanced housing market. Outside of Austin, housing inventory levels were 1.6 months in Pflugerville, 1.9 months in Manor, 3.0 months in Lakeway and 3.6 months in Lago Vista.



Listing Activity

In January 2017, single-family homes in Travis County spent an average of 57 days on the market, unchanged from January 2016. During the same time frame, active listings increased 1.5 percent to 2,256 listings, new listings increased 2.4 percent to 1,261 listings, and pending sales jumped 13.4 percent to 1,156 pending sales in Travis County.

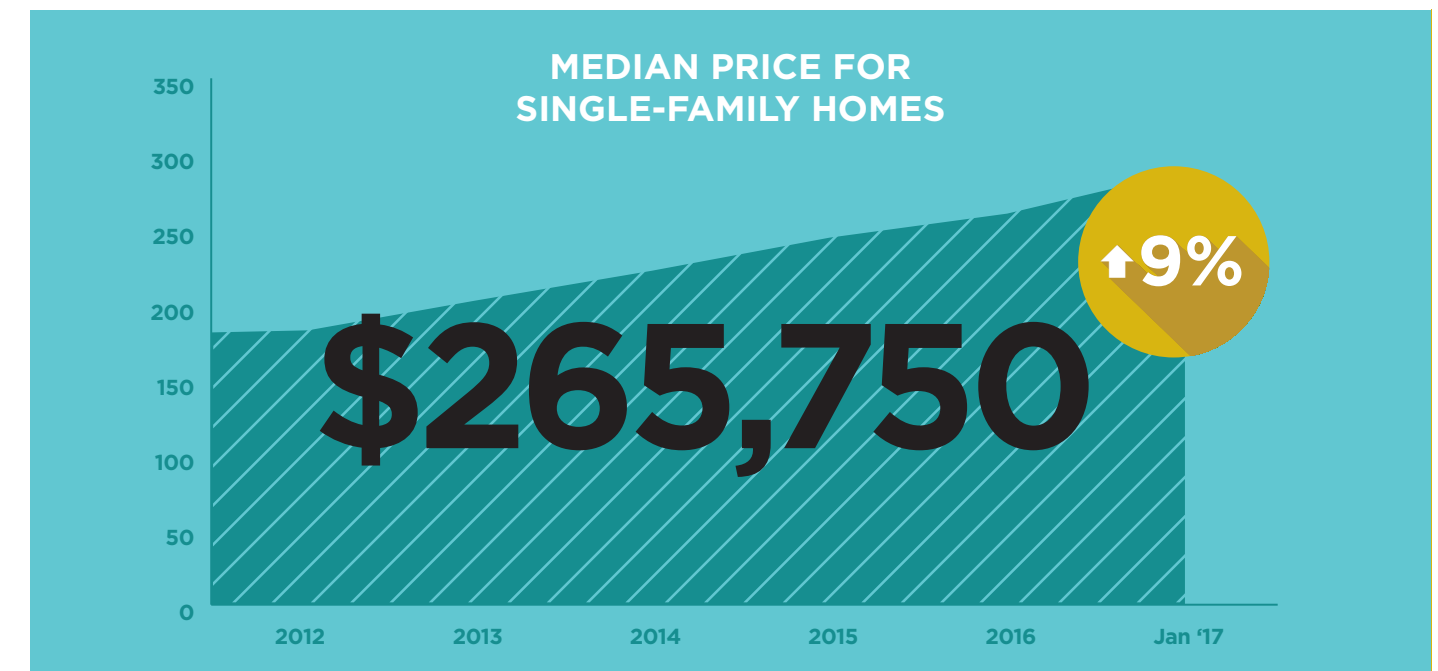


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Williamson County is among the fastest-growing areas in the U.S., but consecutive months of flat home sales growth, rising home prices and critically low housing inventory levels have expanded Austin's housing affordability issues into Williamson and Travis counties.

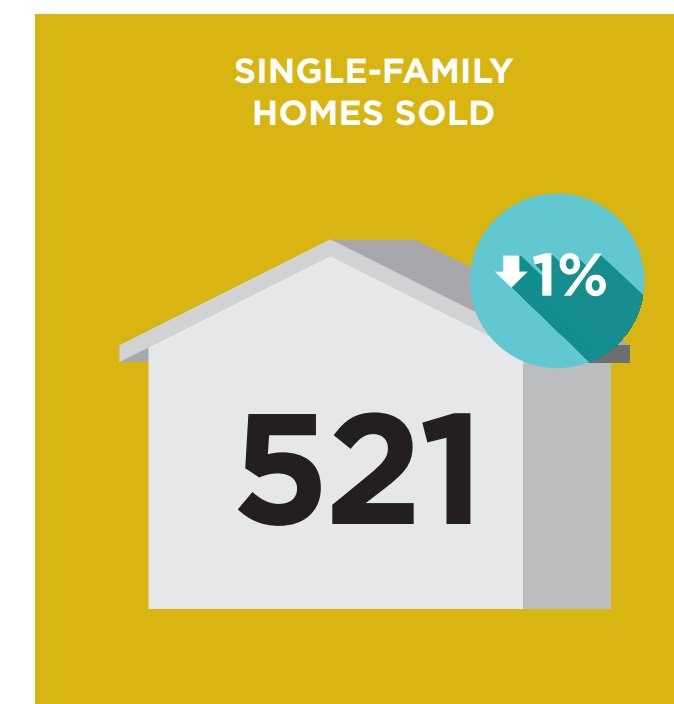
Single-Family Home Sales

Single-family home sales in Williamson County declined 1.0 percent in January 2017 to 521 home sales. From January 2016, single-family home sales declined 18.1 percent in Round Rock and 28.4 percent in Georgetown. Conversely, single-family home sales rose 3.6 percent in Cedar Park and 62.5 percent in Leander during the same time frame.



Median Home Price

The median price for single-family homes in Williamson County rose 9.3 percent year-over-year to \$265,750 in January 2017. During the same time frame, median home prices increased 9.2 percent to \$237,950 in Round Rock, 5.4 percent to \$255,000 in Georgetown and 17.2 percent to \$284,495 in Leander. The exception was Cedar Park, which experienced a 2.3 percent decline in median home price to \$266,000.

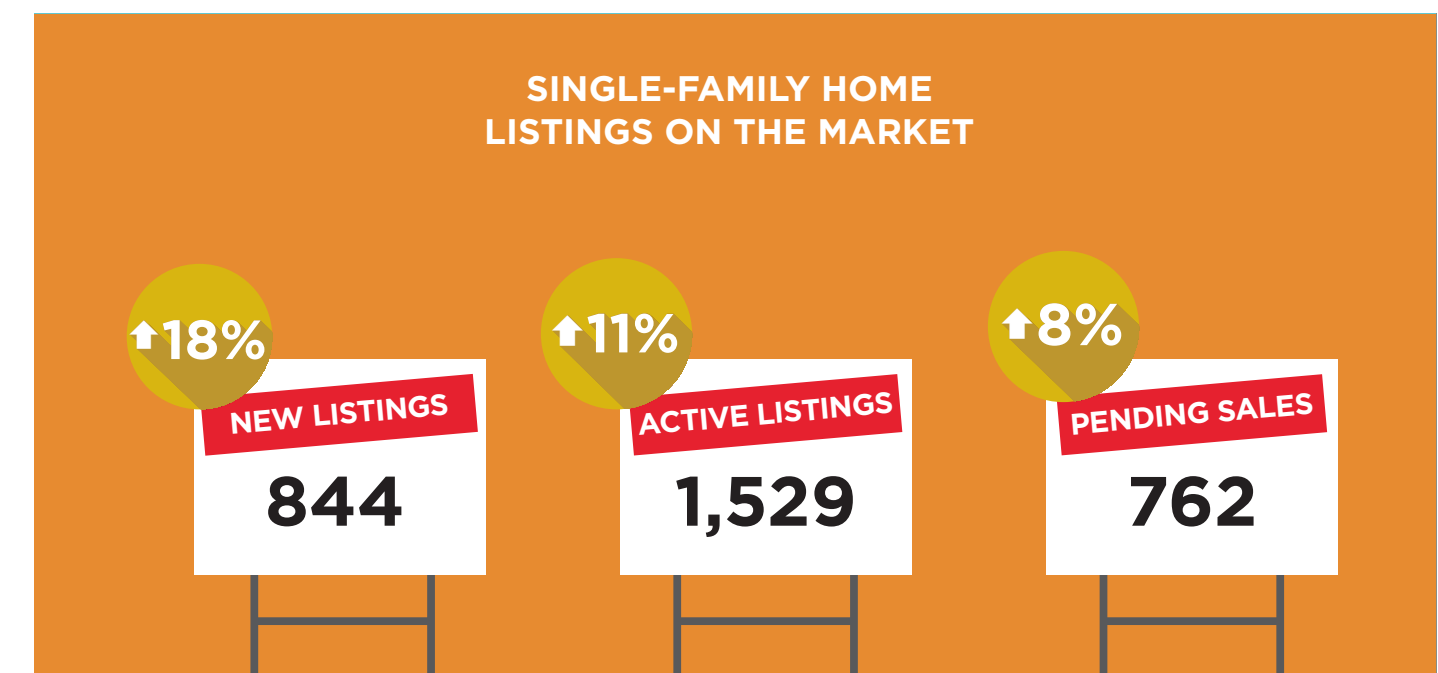


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Critically low housing inventory levels throughout Williamson County have begun to constrain home sales growth in local market areas. As residents look farther and farther outside of Austin for an affordably priced home, housing inventory levels in surrounding markets have dropped significantly.

Monthly Housing Inventory

Housing inventory in Williamson County increased 0.1 months from January 2016 to 1.8 months of inventory, well below the Real Estate Center at Texas A&M University's estimation of 6.0-6.5 months of inventory as a balanced market. Locally, housing inventory levels in January 2017 were 0.8 months in Round Rock, 1.8 months in Georgetown, 1.3 months in Cedar Park and 2.3 months in Leander.



Listing Activity

In January 2017, single-family homes in Williamson County spent an average of 54 days on the market, one day less than January 2016. During the same time frame, active listings jumped 11.2 percent to 1,529 listings, new listings jumped 18 percent to 844 listings, and pending sales increased 7.5 percent to 762 pending sales.

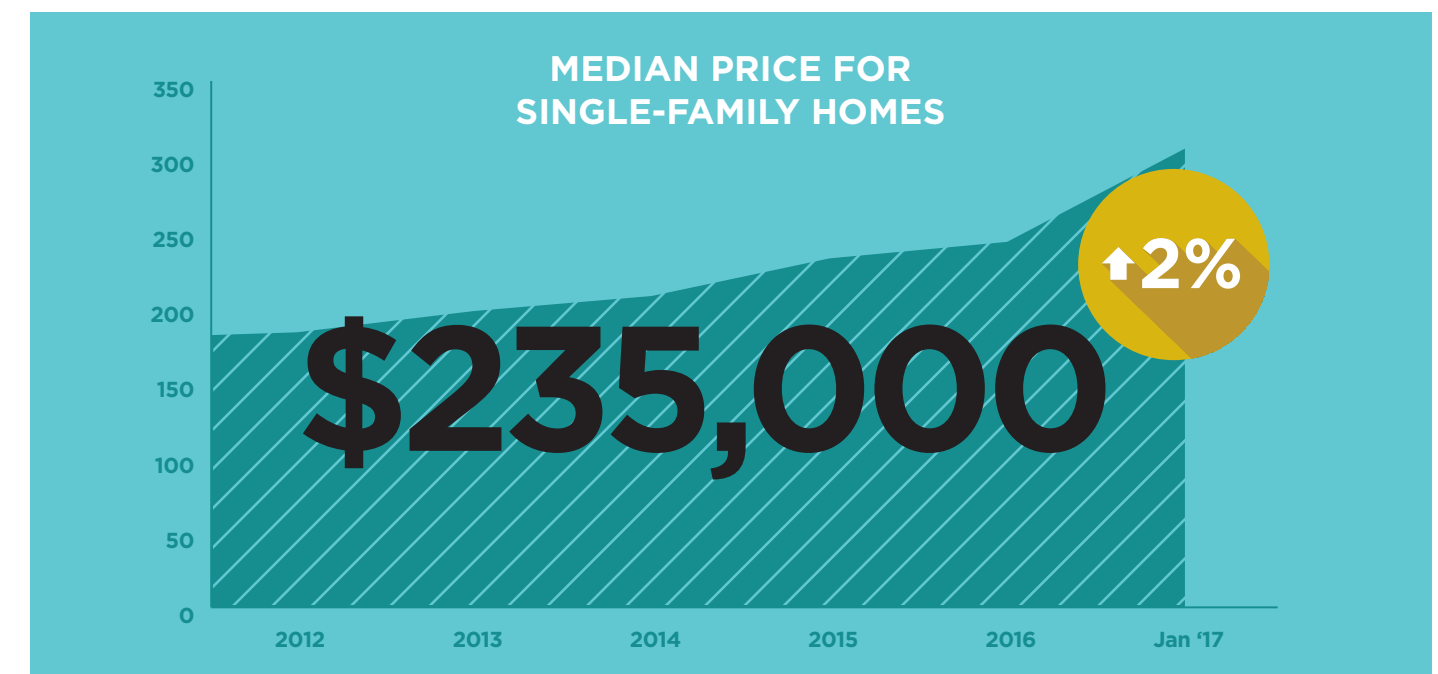


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Although Hays County's home sales volume is significantly smaller than Travis and Williamson counties, Hays County continues to lead the region in home sales growth. Comparatively lower home prices make Hays County a popular destination among entry-level homebuyers.

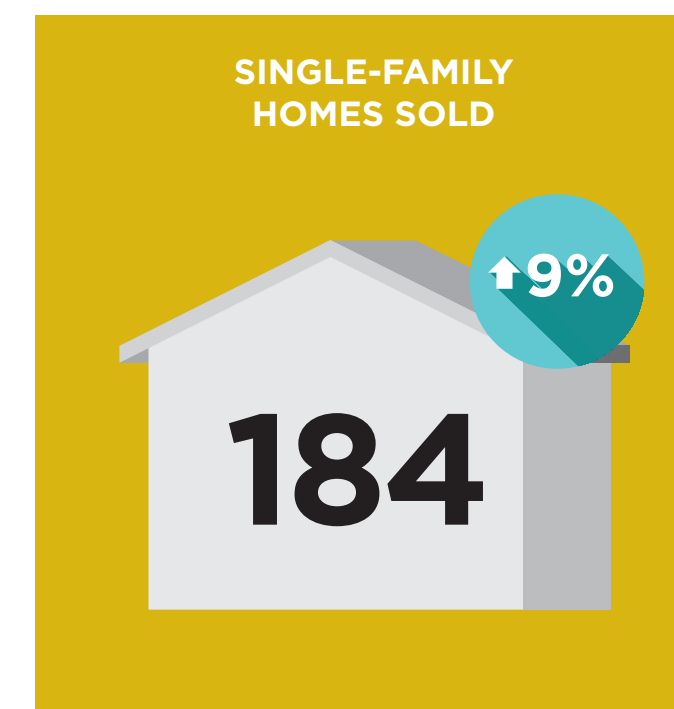
Single-Family Home Sales

Hays County single-family home sales increased 8.9 percent year-over-year to 184 home sales in January 2017. A significant portion of this growth occurred in Kyle, Texas, which experienced an 18.9 percent annual gain in single-family home sales. Conversely, single-family home sales declined 3.7 percent in San Marcos and 42.3 percent in Buda during the same time frame.



Median Home Price

The median price for single-family homes in Hays County rose 2.2 percent year-over-year to \$235,000 in January 2017. During the same time frame, median home prices increased 5.3 percent to \$256,990 in Buda; 1.4 percent to \$180,000 in San Marcos; and 11.7 percent to \$208,950 in Kyle. The sales dollar volume of single-family homes sold in Hays County in January 2017 was \$54,624,160.

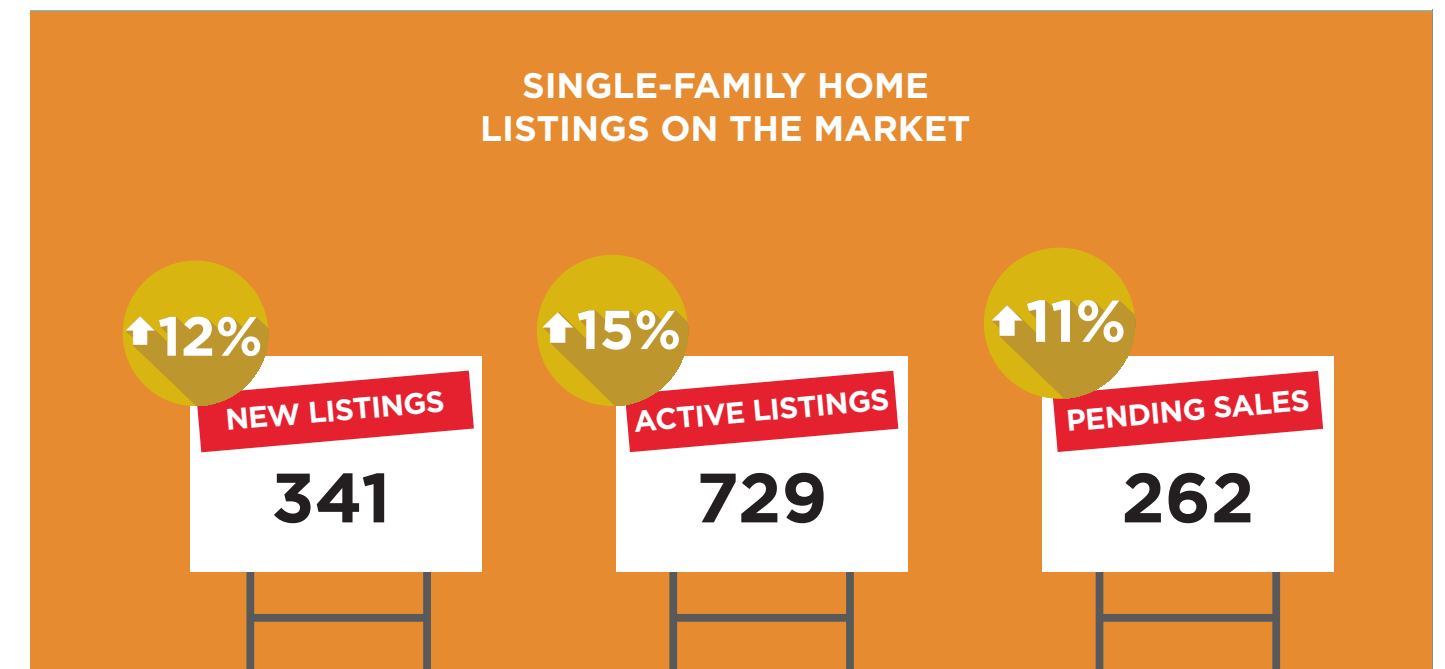


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While strong housing development is slowly boosting housing inventory levels, Hays County housing stock continues to remain well within a sellers market. Strong listing activity in January 2017 indicates that home sales growth could continue to rise in the coming months.

Monthly Housing Inventory

Housing inventory in Hays County increased 0.1 months from January 2016 to 2.5 months of inventory, well below the Real Estate Center at Texas A&M University's estimation of 6.0-6.5 months of inventory as a balanced housing market. Locally, housing inventory levels in January 2017 were 1.9 months in Kyle, 2.7 months in Buda, and 3.4 months in San Marcos.



Listing Activity

In January 2017, single-family homes in Hays County spent an average of 80 days on the market, or 20 more days than January 2016. Listing activity in Hays County experienced double-digit gains during the same time frame, with active listings jumping 14.8 percent to 729 listings, new listings increasing 11.8 percent to 341 listings, and pending sales increasing 10.6 percent to 262 pending sales.

