

CENTRAL TEXAS HOUSING MARKET REPORT

March 2017

Provided by Austin Board of REALTORS®

EXECUTIVE SUMMARY | MARCH 2017

The March 2017 Central Texas Housing Market Report shows continued signs of normalization across the Austin-Round Rock Metropolitan Statistical Area (MSA), with single-family home sales remaining relatively flat or declining slightly in local market areas across the region.

In March 2017, single-family home sales in the Austin-Round Rock MSA declined 1.4 percent year-over-year to 2,509 home sales. Within the city of Austin, single-family home sales increased 1.2 percent year-over-year to 780 home sales.

While housing market trends are fairly consistent across the market at large, an analysis of single-family home sales by price class revealed growing disparities in market conditions among the lower and higher ends of the single-family housing market. Rising home prices and development costs are eliminating the lower-priced homes highest in demand from the market as well as increasing the sales volume and inventory of higher-priced housing stock.

In particular, Austin single-family homes priced \$300,000 or less are depreciating rapidly in sales volume, are spending relatively little time on the market and have extremely low housing inventories. At the same time, Austin single-family homes priced higher than \$300,000 are experiencing significant gains in sales volume, are spending more time on the market and have higher inventory levels.

This growing disparity underscores the urgent and immediate need to fill the "missing middle" of housing stock in Central Texas cities. The Austin Board of REALTORS® continues to advocate for a revised Land Development Code that will further the construction of mid-range housing types - such as duplexes, mid-rise condominiums and more - in order to bring a greater variety of housing options and price points to all areas of Austin.

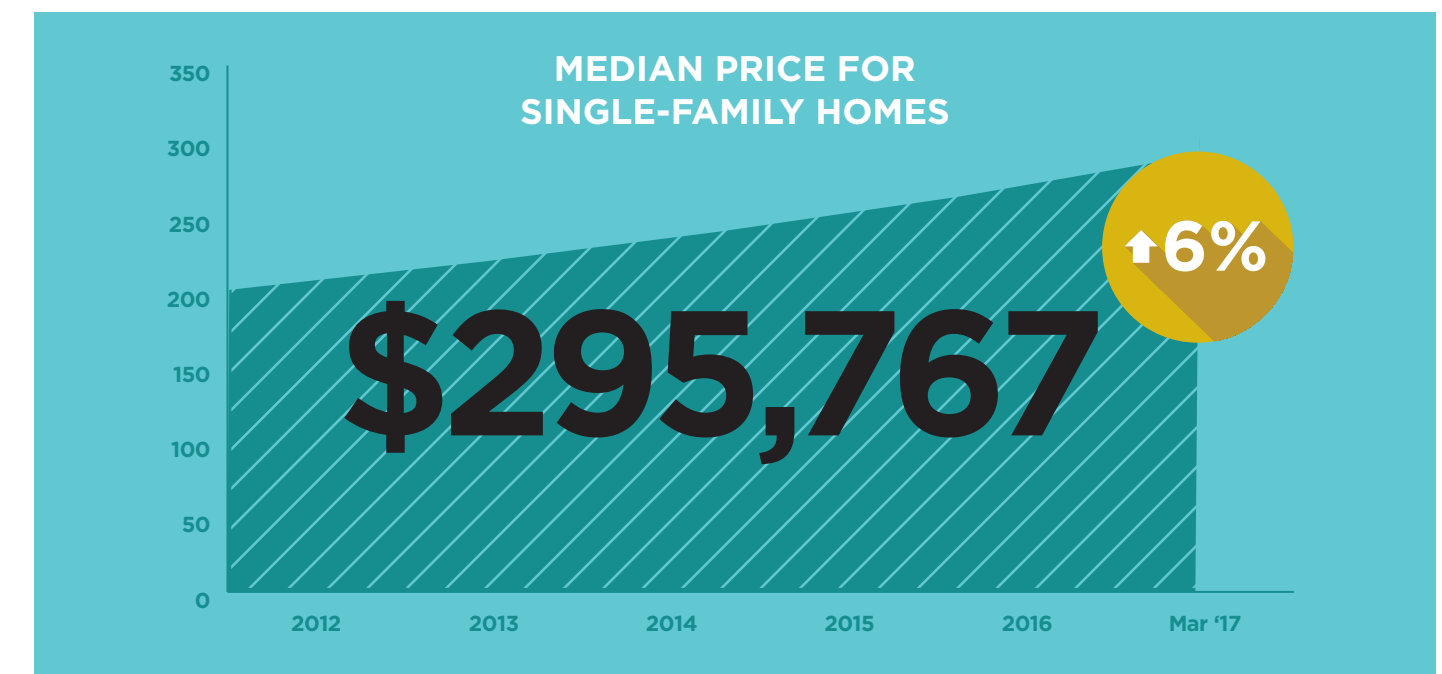
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Single-family home sales volume declined slightly across the Austin-Round Rock MSA in March 2017. Of single-family homes sold, 34 percent were sold for less than \$250,000, 48.9 percent were sold between \$250,000-\$500,000 and 17 percent were sold for \$500,000 or higher.



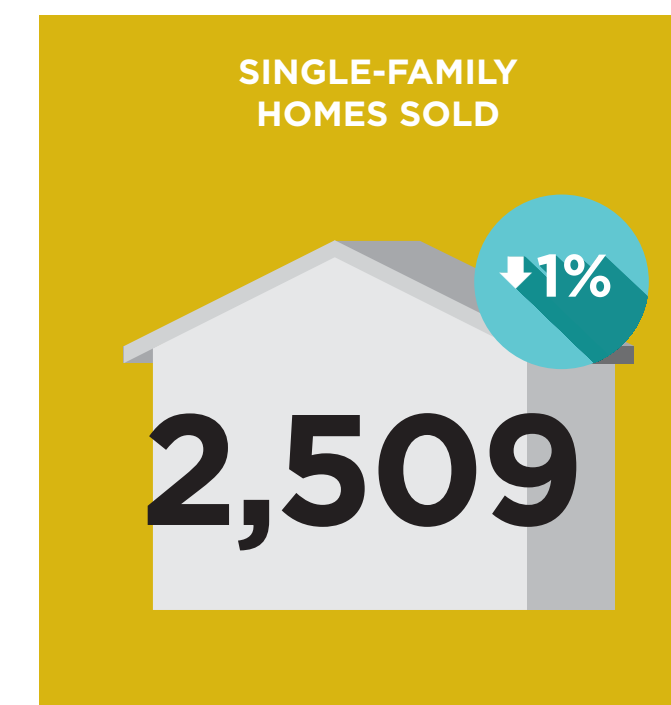
Single-Family Home Sales

Single-family home sales in the Austin-Round Rock MSA decreased 1.4 percent year-over-year to 2,509 home sales in March 2017. Price classes that experienced annual gains in single-family home sales volume were \$200,000-\$249,999 (1.5 percent from March 2016), \$300,000-\$399,999 (3.6 percent) and \$1,000,000 and higher (27.7 percent).



Median Price

The median price for single-family homes in the Austin-Round Rock MSA rose 5.6 percent year-over-year to \$295,767 in March 2017. The sales dollar volume of single-family homes sold in the five-county area in March 2017 was \$931,217,965, a 5.4 percent gain from March 2016.



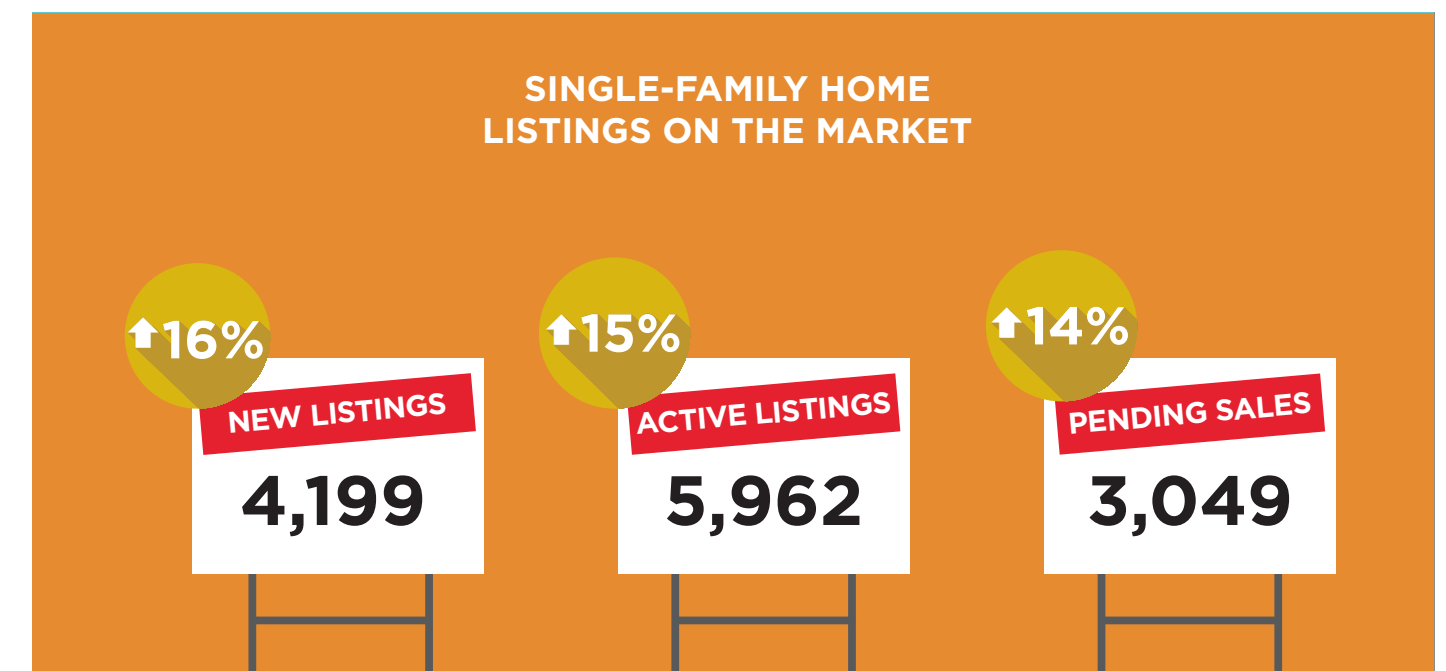
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Indicating a strong summer housing market to come, new and active listings as well as pending sales experienced double-digit gains in March 2017. Housing inventory levels remained constrained, particularly among single-family homes priced between \$100,000 and \$200,000.



Monthly Housing Inventory

Housing inventory in the Austin-Round Rock MSA increased 0.2 months from March 2016 to 2.4 months of inventory. Single-family homes priced between \$70,000 and \$250,000 had less than 1.5 months of inventory in March 2017, while homes priced \$1 million and higher were well within a buyer's market at 11.3 months of inventory.



Listing Activity

In March 2017, single-family homes in the Austin-Round Rock MSA spent an average of 56 days on the market, unchanged from March 2016. During the same time frame, active listings increased 15.1 percent to 5,962 listings, new listings increased 15.9 percent to 4,199 listings, and pending sales rose 13.9 percent to 3,049 pending sales.



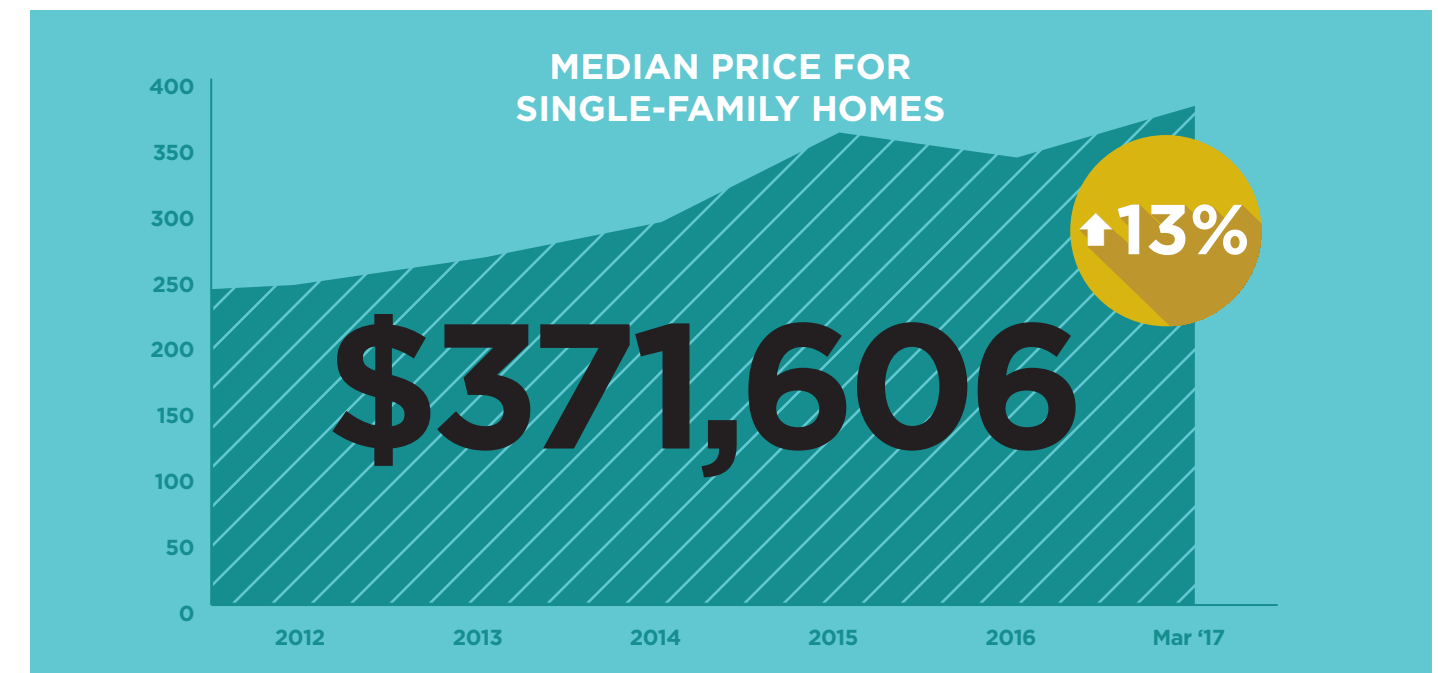
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Single-family home sales volume increased slightly within the city of Austin in March 2017. Of single-family homes sold, 15.1 percent were sold for less than \$250,000, 57.3 percent were sold between \$250,000-\$500,000 and 27.6 percent were sold for \$500,000 or higher.



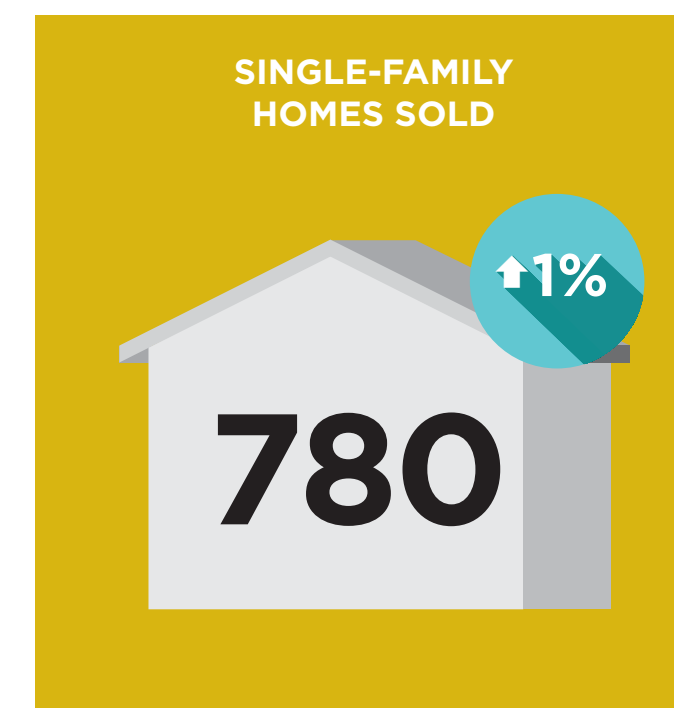
Single-Family Home Sales

Single-family home sales increased 1.2 percent year-over-year to 780 home sales in March 2017. Home sales priced under \$300,000 declined sharply in sales volume from March 2016, whereas sales volume of homes priced \$300,000 and higher experienced significant gains, highlighting the growing "missing middle" among Austin's housing stock.



Median Home Price

In March 2017, the median price for single-family homes in the city of Austin jumped 12.6 percent from the year prior to \$371,606. The sales dollar volume of single-family homes sold in the city of Austin in March 2017 was \$346,692,959, an 8.8 percent increase from March 2016.



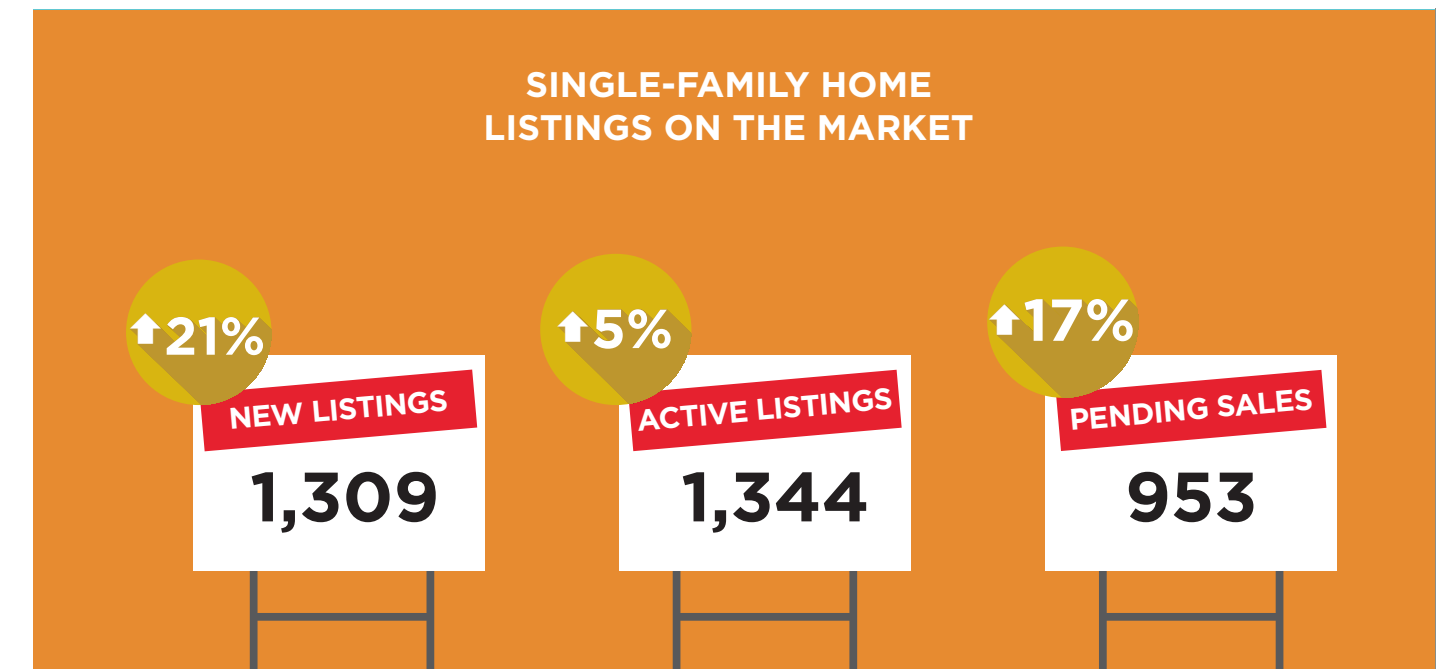
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New listings and pending sales in the city of Austin experienced double-digit growth from the year prior in March 2017. Austin continues to have one of the lowest inventory levels in the region, with very few homes priced under \$250,000 on the market.



Monthly Housing Inventory

Housing inventory within the city of Austin increased 0.1 months from March 2016 to 1.8 months of inventory. Single-family homes priced under \$250,000 have less than 0.5 months of inventory, which is practically nonexistent. Homes priced under \$750,000 have less than 2.5 months of inventory, indicating an extremely tight housing market.



Listing Activity

Single-family homes in the city of Austin spent an average of 48 days on the market in March 2017, seven days more than the year prior. During the same time frame, active listings increased 5.4 percent to 1,344 listings, new listings increased 20.9 percent to 1,309 listings, and pending sales increased 17.4 percent to 953 pending sales.



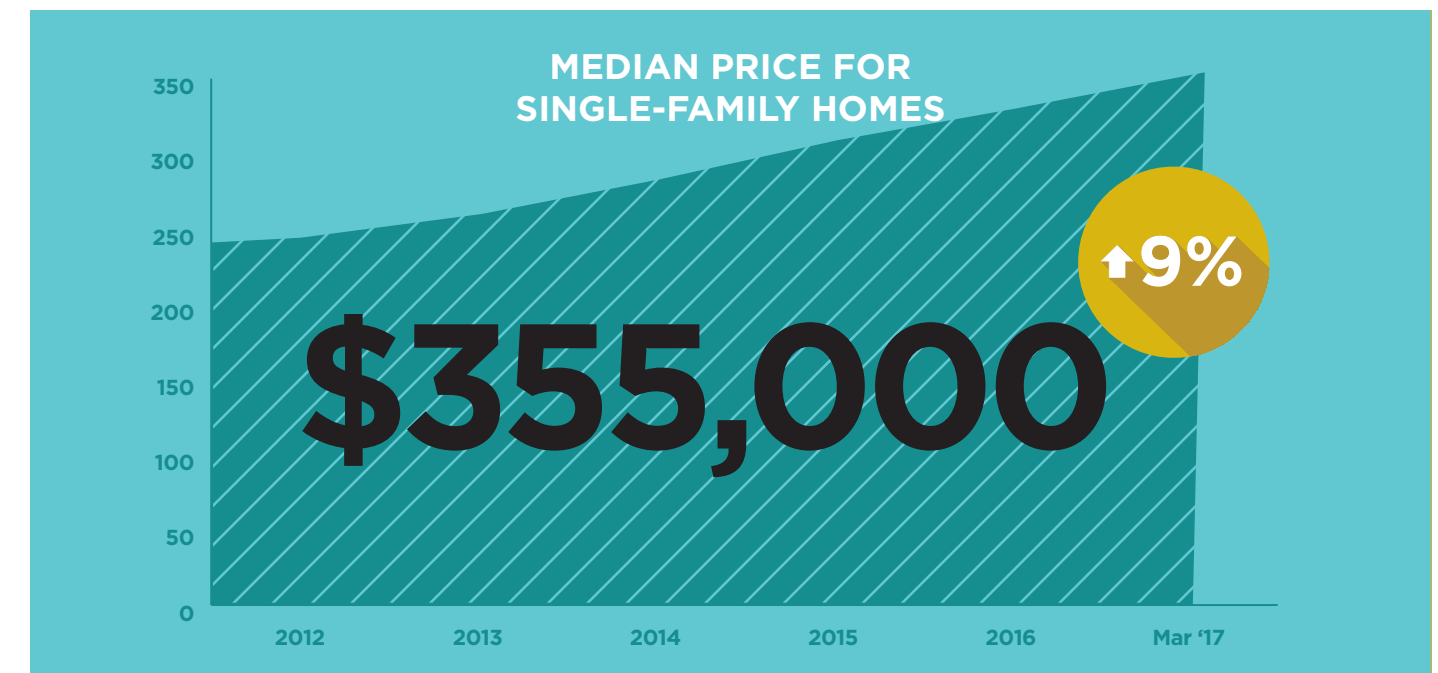
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Single-family home sales volume declined slightly in Travis County in March 2017. Of single-family homes sold, 21.7 percent were sold for less than \$250,000, 51.4 percent were sold between \$250,000-\$500,000 and 26.9 percent were sold for \$500,000 or higher.



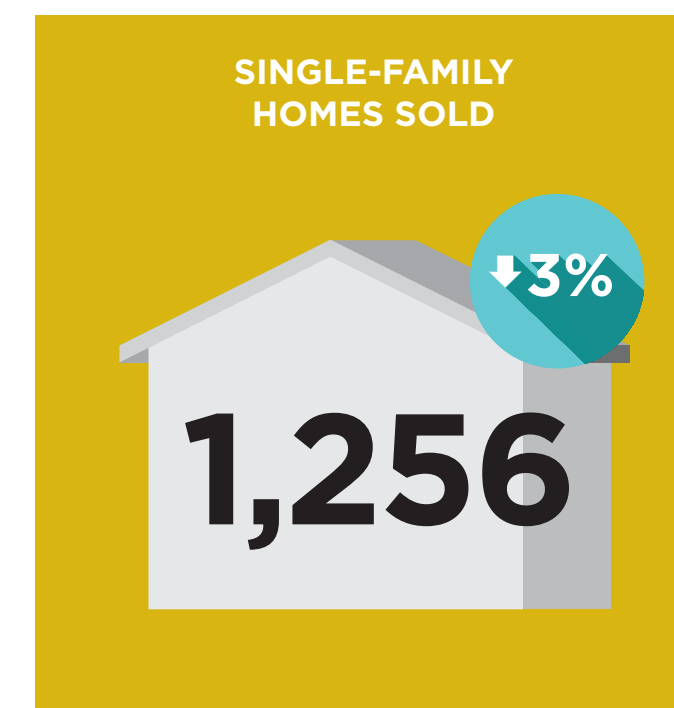
Single-Family Home Sales

Single-family home sales declined 2.6 percent year-over-year to 1,256 home sales in March 2017. All price classes declined year-over-year in single-family home sales volume, excepting homes priced between \$300,000-\$399,999 (up 4.7 percent from March 2016) and \$1,000,000 and higher (up 35.7 percent).



Median Home Price

The median price for single-family homes in Travis County rose 9.3 percent year-over-year to \$355,000 in March 2017. The sales dollar volume of single-family homes sold in Travis County was \$560,242,747, a 5 percent increase from March 2016.



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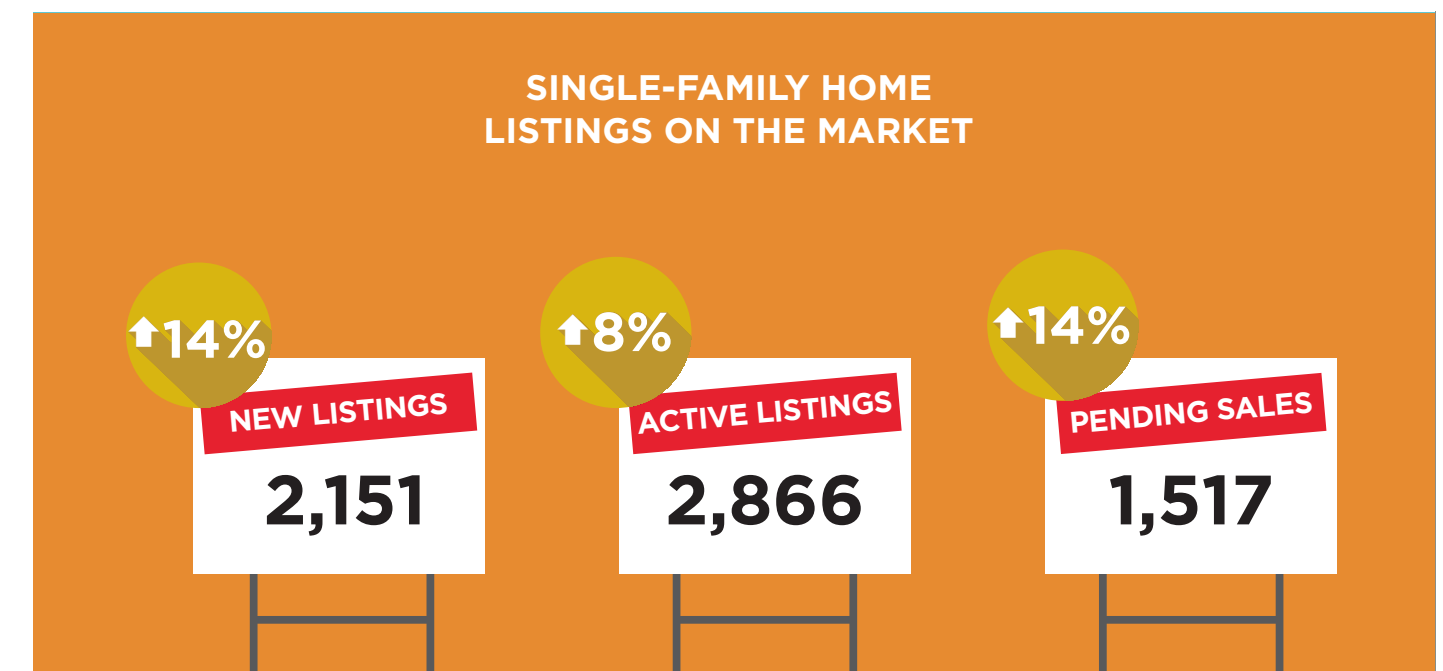
Inventory in Travis County experienced a small increase, while new listings saw a double-digit increase. This comes as affordable homes under \$250,000 saw inventory levels dropped to a scarce level of 0.6 months.

Monthly Housing Inventory

Housing inventory in Travis County increased 0.1 months from March 2016 to 2.3 months of inventory. Similar to the city of Austin, there was less than one month of inventory among single-family homes priced between \$70,000 and \$250,000 in March 2017. Homes priced \$1 million and higher had 10 months of inventory in March 2017.

Listing Activity

In March 2017, single-family homes in Travis County spent an average of 55 days on the market, three days less than March 2016. During the same time frame, active listings increased 8.2 percent to 2,866 listings, new listings increased 13.8 percent to 2,151 listings, and pending sales jumped 14 percent to 1,517 pending sales in Travis County.



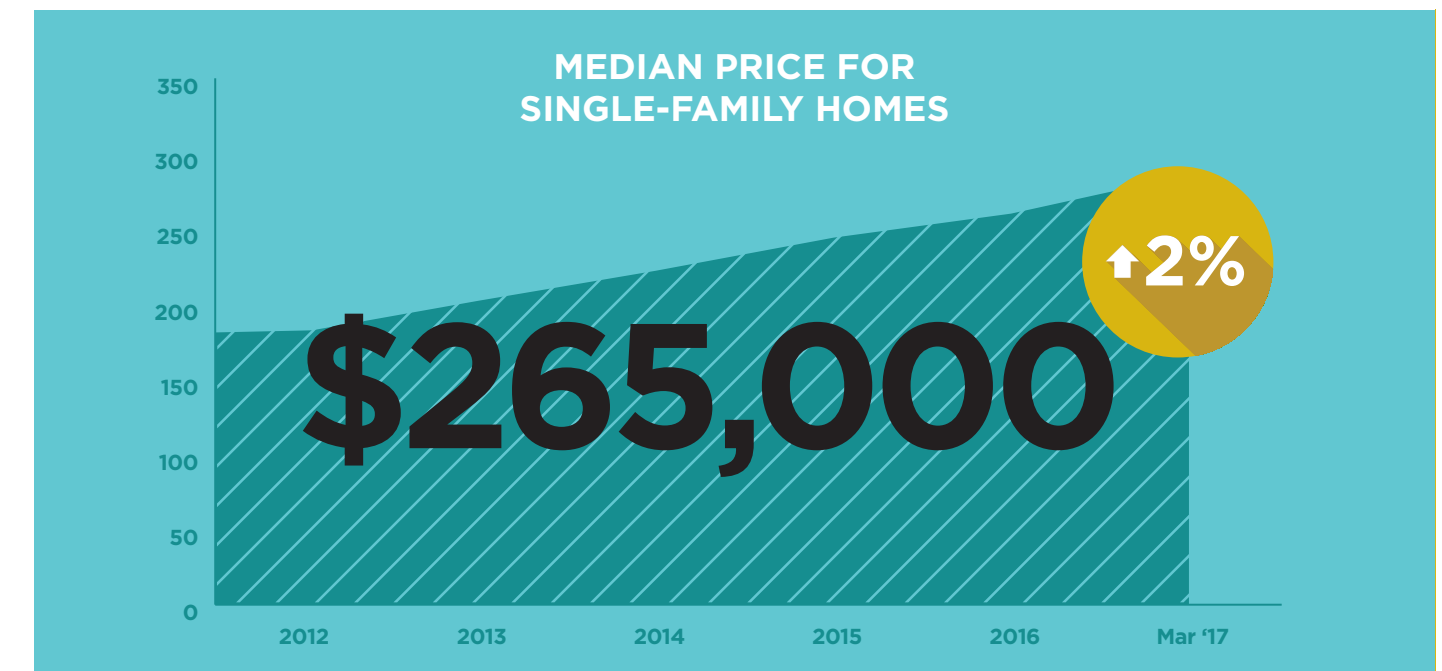
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Single-family home sales volume increased slightly in Williamson County in March 2017. Of single-family homes sold, 43.4 percent were sold for less than \$250,000, 50.5 percent were sold between \$250,000-\$500,000 and 6.1 percent were sold for \$500,000 or higher.



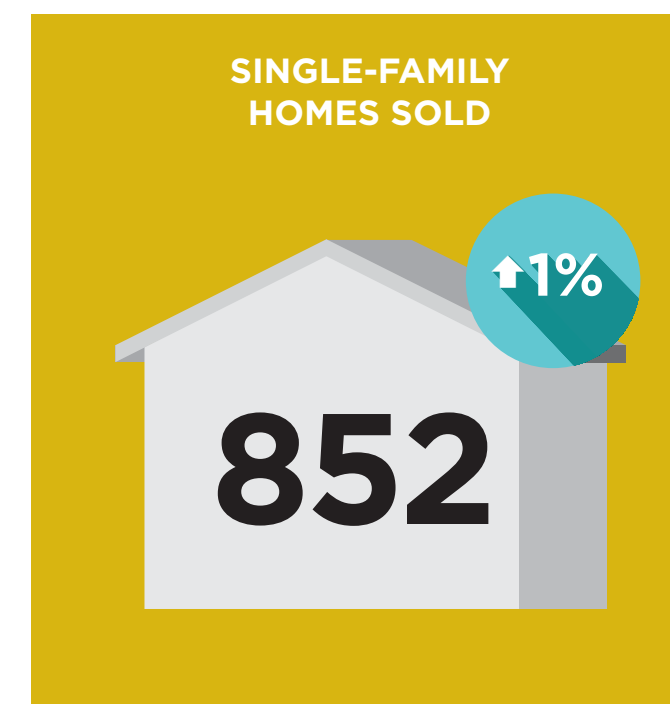
Single-Family Home Sales

Single-family home sales in Williamson County increased 1.1 percent in March 2017 to 852 home sales. Likely due to strong development of entry-level homes throughout the county combined with rising home prices, sales volume of single-family homes priced \$200,000 to \$250,000 jumped 17.1 percent year-over-year to 242 home sales.



Median Home Price

The median price for single-family homes in Williamson County rose 1.9 percent year-over-year to \$265,000 in March 2017. The sales dollar volume of single-family homes sold in Williamson County during the same time frame was \$251,205,030, a 5.4 percent increase from March 2016.

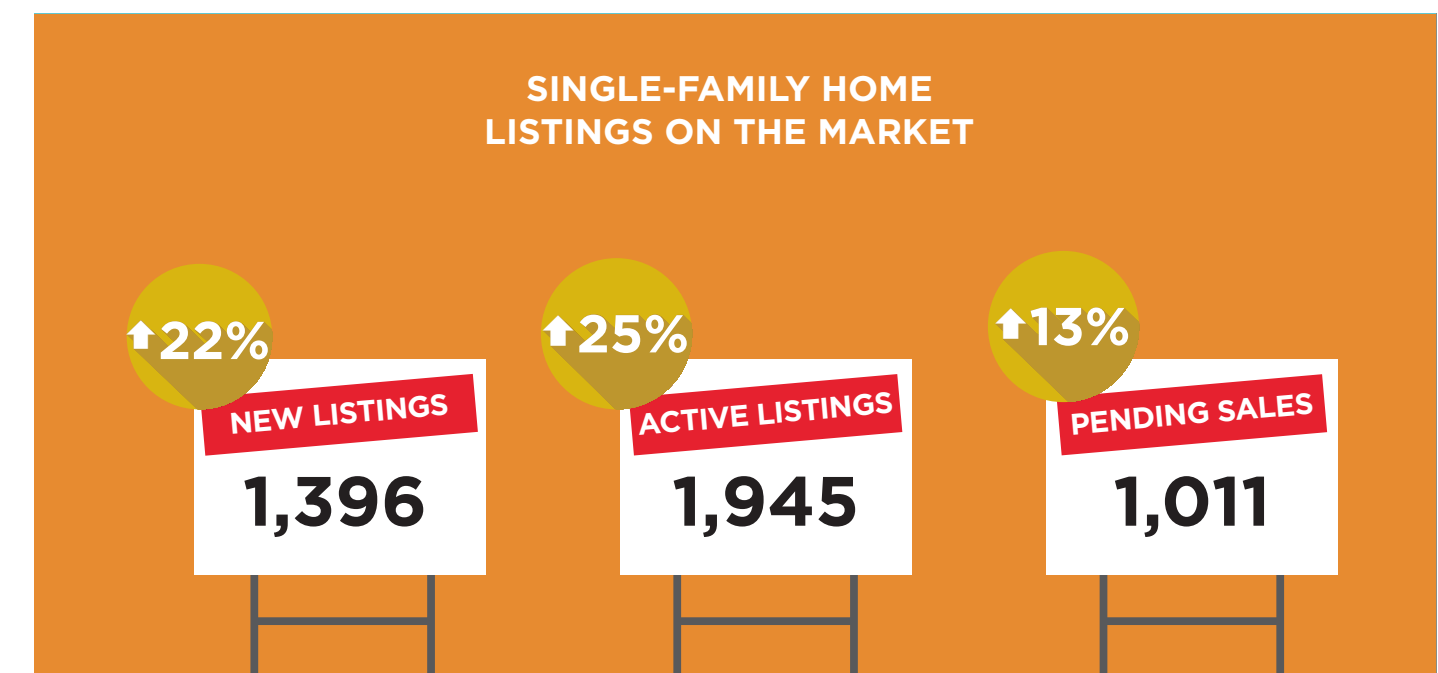


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Williamson County experienced the strongest annual gains of new and active listings, pending sales and monthly housing inventory among the five-county MSA, indicating that Williamson County home sales volume could begin to rise again after consecutive months of flat growth.

Monthly Housing Inventory

Housing inventory in Williamson County increased 0.4 months from March 2016 to 2.3 months of inventory. Single-family homes priced under \$250,000 had one month of inventory or less in March 2017. Homes priced between \$100,000-\$149,999 had 0.7 months of inventory, while homes priced \$150,000-\$199,999 had 0.4 months of inventory.



Listing Activity

In March 2017, single-family homes in Williamson County spent an average of 52 days on the market, seven days less than March 2016. During the same time frame, active listings jumped 25.1 percent to 1,945 listings, new listings jumped 21.5 percent to 1,396 listings, and pending sales increased 13.1 percent to 1,011 pending sales.



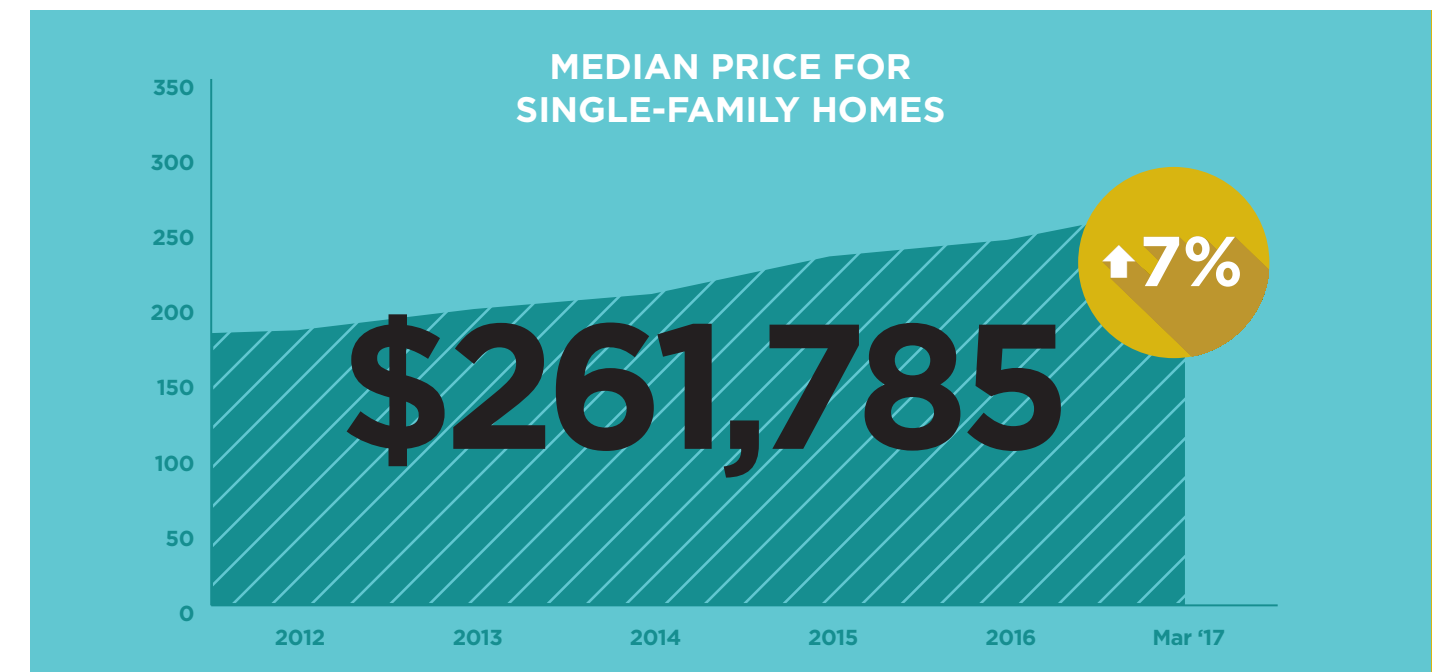
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Single-family home sales volume increased throughout Hays County in March 2017. Of single-family homes sold, 46.4 percent were sold for less than \$250,000, 41.3 percent were sold between \$250,000-\$500,000 and 12.3 percent were sold for \$500,000 or higher.



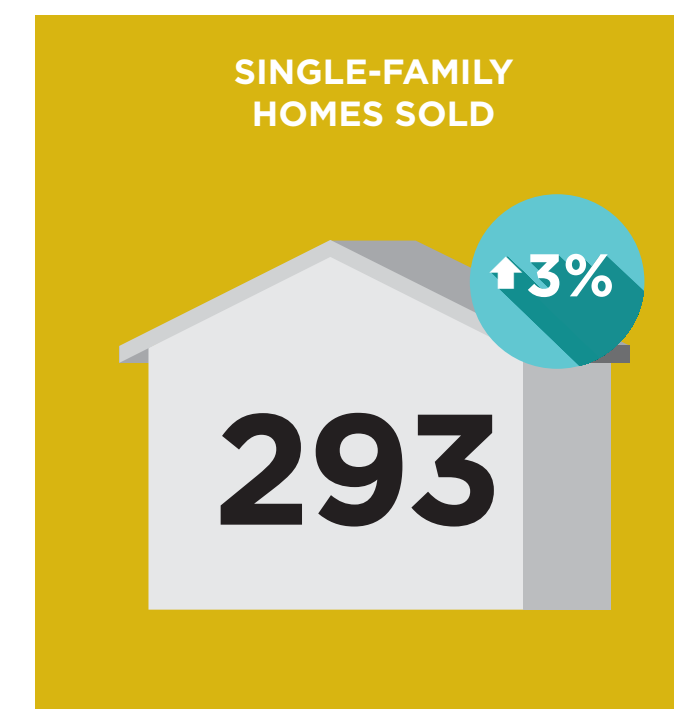
Single-Family Home Sales

Hays County single-family home sales increased 2.8 percent year-over-year to 293 home sales in March 2017. Hays County continues to have the lowest price range of single-family homes in the five-county MSA, with fairly even distribution of home sales volume among homes priced under \$250,000 and homes priced between \$250,000-\$500,000.



Median Home Price

The median price for single-family homes in Hays County rose 6.9 percent year-over-year to \$261,785 in March 2017. The sales dollar volume of single-family homes sold in Hays County in March 2017 was \$94,834,175, an 8.2 percent increase from March 2016.

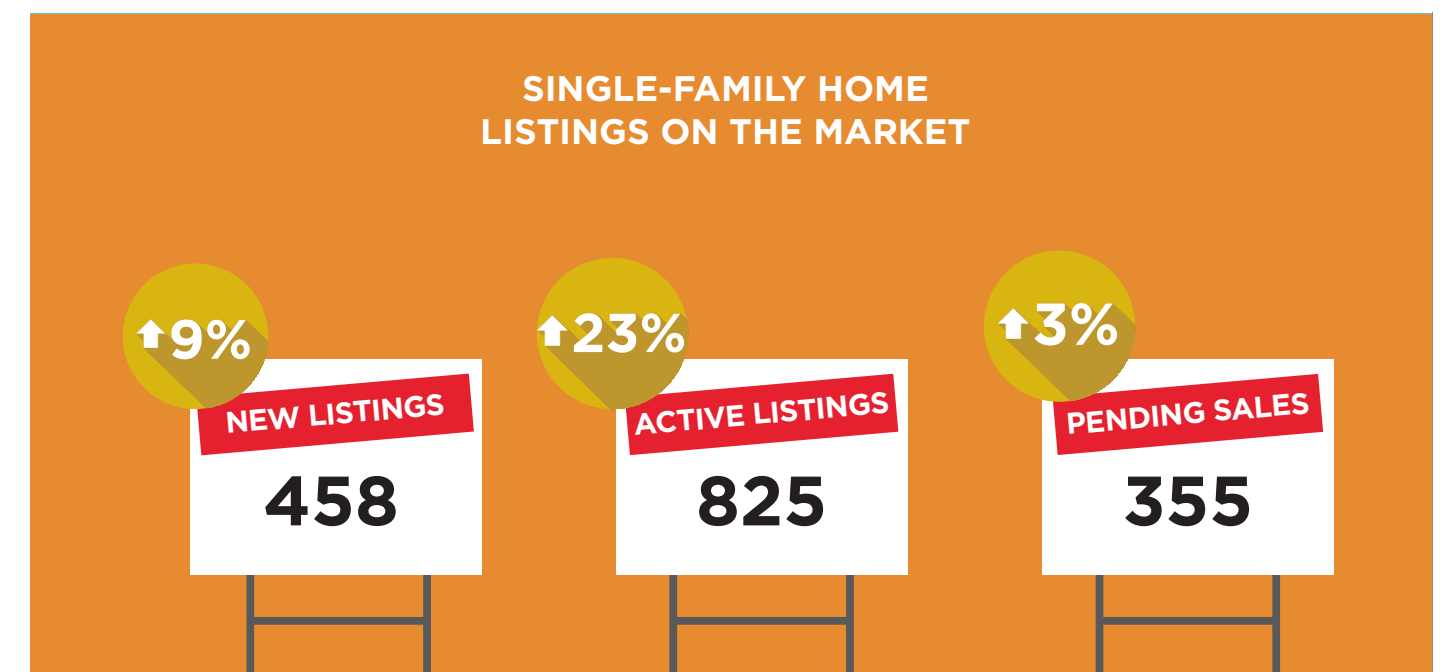


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Despite having the largest percentage of home sales volume priced under \$250,000, inventory for entry-level homes in Hays County continues to be extremely low, like that of the Central Texas housing market at large.

Monthly Housing Inventory

Housing inventory in Hays County increased 0.3 months from March 2016 to 2.8 months of inventory. Single-family homes priced between \$100,000 and \$150,000 had 0.6 months of inventory in March 2017. Homes priced above \$500,000 are within a buyer's market, with more than 6.5 months of inventory.



Listing Activity

In March 2017, single-family homes in Hays County spent an average of 66 days on the market, two days more than March 2016. During the same time frame, active listings jumped 22.6 percent to 825 listings, new listings grew 8.8 percent to 458 listings, and pending sales increased 2.6 percent to 355 pending sales.

