

# STATE OF THE MARKET

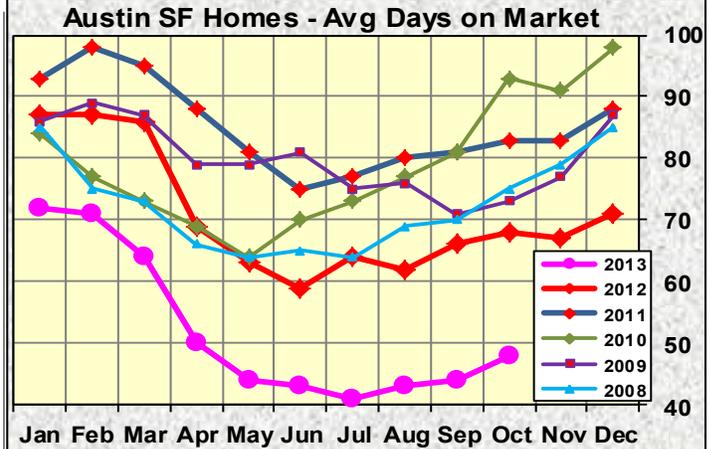
Nov 2013



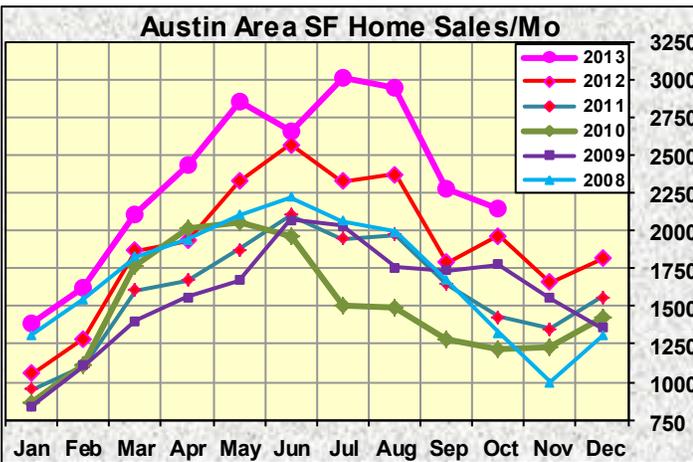
*Boyd & Boyd*  
PROPERTIES, LLC

## MARKET HOT WITH SEASONAL SLOWING

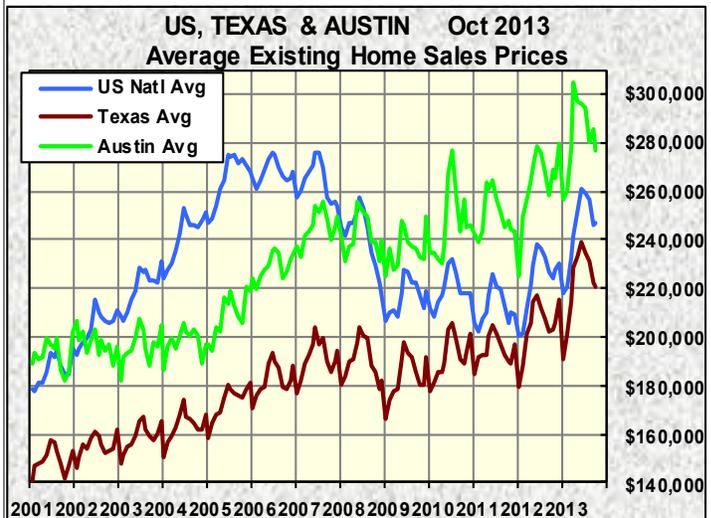
Our homes market is showing the typical seasonal slowdown in sales that comes after August, as most families moving here with students have closed on their new homes and moved in. The slowing was a little more pronounced this year than last, but there is no evidence of any cooling of the market.



days was much lower from April through October of this year than in the same month last year, starting just as the number of sales increased dramatically in April. The short time on the market probably means that many buyers likely just took what they could get, as the nicest and best choices were probably sold within a week after they hit the market.



The chart below of the number of single family homes listed for sale each month shows that fewer homes were available on the market during every month of 2013 compared to 2012. More sales out of a smaller supply means it was more difficult for buyers to find what they wanted. More demand on the smaller supply obviously put pressure on prices.

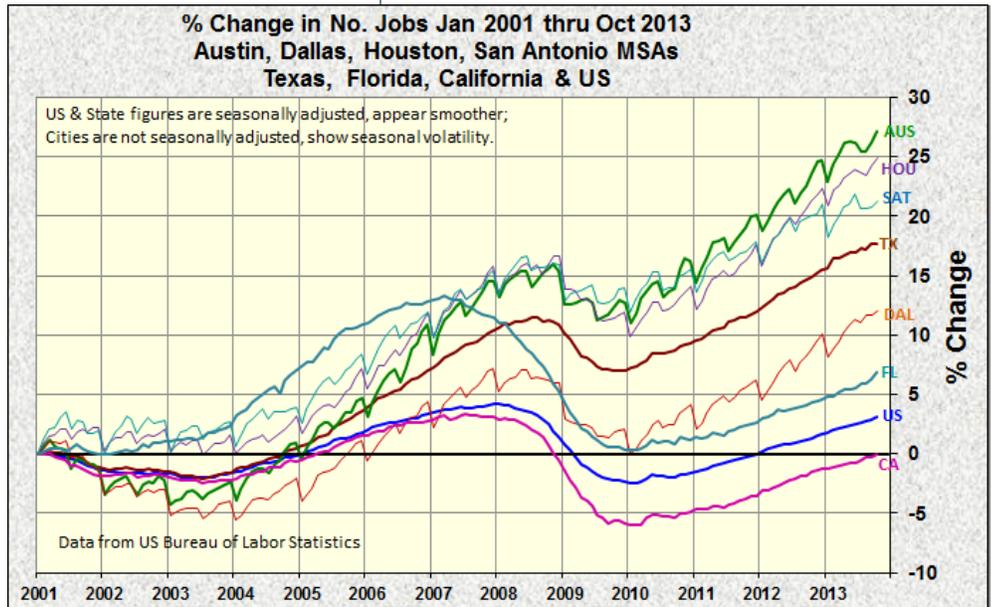


The high demand and small supply of homes for sale has created pressure on prices. The chart above illustrates how Austin's October average home sale price, \$276,700, was 25.8% above the Texas state average and 11.9% above the national average. Austin's average home sale price was also 8.1% above that of Midland, the highest of all other cities in Texas (think: oil boom), and 14.2% above that of Dallas, the next highest average for a Texas city. Question: will Austin eventually price itself out of the market?

Another indication of the tightness of the market for homes is the number of days on the market, shown in the next chart. There were about half the number of homes on the market this October than there were in October 2010. The average number of



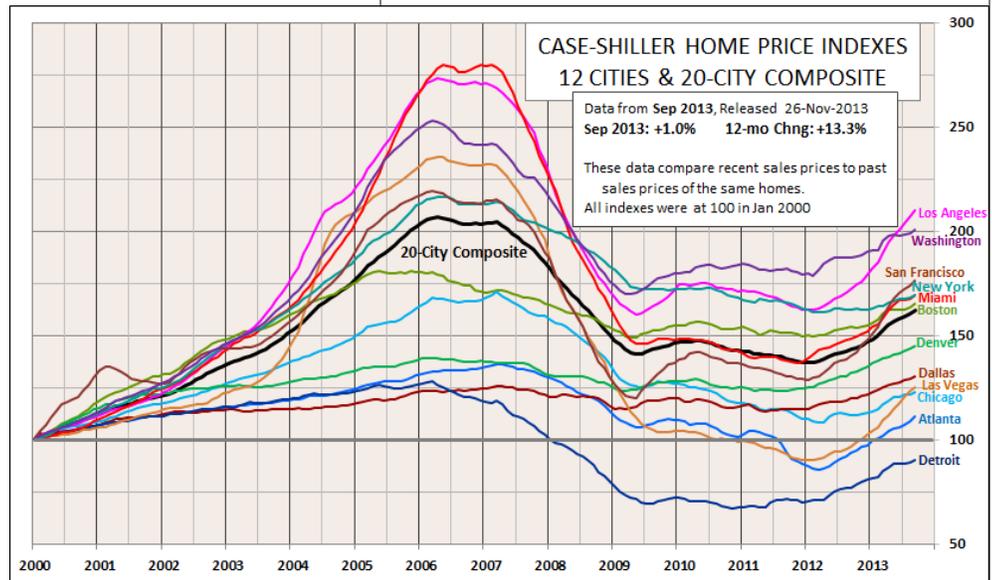
The source of Austin's economic strength, especially its strong homes market, is the huge growth in the number of jobs we've seen here. We've repeatedly updated the chart at right because job growth is such an important factor in our past and present economic conditions.



Over nearly 13 years from January 2001 through October 2013, the number of jobs in Austin increased by 27.2%, in Texas by 17.7%, in the nation as a whole by 3.1% and in California the number has decreased by 0.1%. Houston and San Antonio have also seen huge increases. It's no wonder that people are moving here in droves to find work, but will our high housing costs create a barrier to immigration here? And again, will we price ourselves out of the market if prices continue to rise at this rate?

Price Indexes for 12 cities and the 20-City Composite shows Los Angeles and San Francisco with rapidly increasing home prices. You have to wonder the buyers are coming from, as there has been no job growth in the state since 2001. Or could much of the increase be due to speculation?

The last chart of the Case-Schiller Home



**More charts & data are available on our web site at <http://news.boyd2.com>**

Boyd & Boyd Properties, LLC, is primarily a family team with decades of experience in Austin and Hill Country Real Estate. Ours is a service business based on integrity, performance and trust. We have local knowledge with global reach.

Data presented here are correct to the best of our knowledge but are not guaranteed. This newsletter is copyright 2013 by Boyd & Boyd Properties, LLC, and illustrations or quotes may be used only with permission from the publisher.

**Boyd & Boyd** PROPERTIES, LLC

Ofc: (512) 306-9966  
Cell: (512) 925-9595

alston@boyd2.com  
www.boyd2.com

14607 Bear Creek Pass  
Austin, TX 78737-8933

Visit us on the web  
at [www.boyd2.com](http://www.boyd2.com)