

Information sent to Amy Stansbury, Editor, *Community Impact Newspaper* - March 22, 2008

Hi Amy -

First of all I would like to thank you for asking about the real estate market conditions because it is incumbent on all REALTORS® to educate our clients and our community about the state of the industry and it's relation to the overall economy. Particularly in Austin, Round Rock, and Pflugerville there is a need to cultivate the realization that we are not in the same condition as the rest of the country but rather we are still a thriving market and a force to be reckoned with.

Keep in mind that we are only part way through March so it is difficult to discern a true trend for 2008 this early in the year on any of the stats. Below you will find a comparison of Jan 06, Jan 07, and Jan 08 as that can be used as one indicator.

The "sweet spot" for our area continues to be homes that are priced between \$100k and \$150K and followed closely by homes \$150K - \$199.9K. While the number of days on market (time it took to sell) have increased slightly, the homes between \$100k and \$199.9 have remained steady over the past 3 years.

Take note that the variance of list to sold price has increased significantly in both Round Rock and Pflugerville January over January. Generally the price a home sells for is lower than the price it was listed for but in January of '08 we saw the variance increase by 1.5 to 2 percent. I would attribute this to two main reasons. First, sellers are not being realistic about where they are pricing their homes based on the current market and instead pricing their home high at first and then dropping it in price a few weeks or months later. Second, we are now in a "buyers market" which allows the buyer more negotiating power and sellers continue to lower their prices during negotiation of a contract. The best advice is to price your home correctly at the onset. Consumers are savvy and are set up to receive an email as soon as a new property hits the market. If you price aggressively the first day on the market, you have the best chance of snagging that internet buyer and getting sold quickly. Those same savvy buyers know what the "market value" is in the area they want to purchase and will pass your home by if you are overpriced.

The four main takeaways for residents of Round Rock and Pflugerville are:

1. Homes that are priced at market or just below are selling and selling in a reasonable time period. "Market price" is determined by the most recent comparable homes sold in the area and NOT what you paid, how much you want to net on the sale of your home, or what the house selling down the street is priced at. If you price your home appropriately it will sell.

2. We are currently in a "Buyers Market." This means there is an abundance of inventory therefore it becomes more imperative to set your home apart. Differentiating your home can occur through pricing, interior and exterior appeal (staging can be helpful), and marketing. Talk to your REALTOR® about things you can do to help improve your chances of attracting a buyer. Remember that the most attention your home will receive occurs during the first few weeks your home is on the market; price it right up front to capture the buyer and get it SOLD!

3. Don't feed in to the hype of the "mortgage crisis," rampant foreclosures, and massive recession. The Central Texas real estate market is experiencing a slight correction but we are NOT in the same condition as most of the country. We must become more educated on our local market and understand that just as you would never say "it is raining in America," you cannot say "real estate in America is a disastrous and losing proposition." Each area of the country has different weather and each area has a different real estate climate also.

4. Partner with your REALTOR® and let their expertise guide you. Experienced agents understand how to market in all conditions and can help you capitalize on your home strengths to get the best price in the fastest time. REALTORS® have weathered these storms before and can provide you the sound advice and tools you need to sell your home during this market correction, but only if you listen and heed our advice.

Here is a snapshot of some stats for Jan '06, Jan '07, and Jan '08 for Round Rock and Pflugerville. Please see the attached spreadsheet for much more comprehensive statistics.

	Pflugerville			Round Rock		
	Jan '06	Jan '07	Jan '08	Jan '06	Jan '07	Jan '08
Days on Market	61	75	60	71	71	77
# Sold	65	103	87	177	194	168
Variance of List to Sold Price	1.623%	1.753%	2.995%	2.619%	2.638%	4.427%
# Sold \$100K-\$149.9K (ALL Months)	793	646	na	1001	814	na
# Sold \$150k-\$199.9K (All Months)	586	570	na	814	803	na