



2021 Shady Hollow Buying and Selling Guide

What to Expect this year in Shady Hollow Real Estate

From Your Neighbors at:



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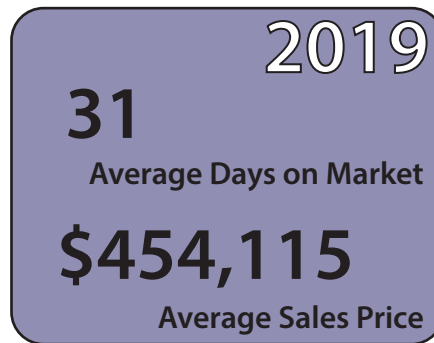
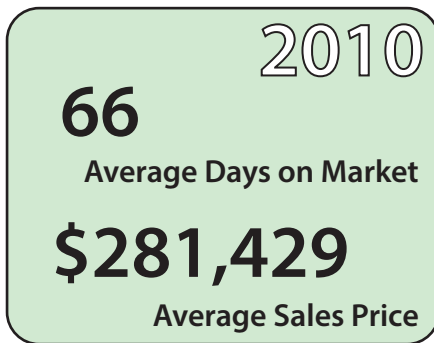
Jacob Youngblood
&
Jess Evans



🏠 A Look Into 2021 For Shady Hollow

What is the Market Like in Shady Hollow?

The real estate market in Shady Hollow largely reflects the overall Central Texas market in that demand is very high and inventory is at historic lows. There are simply more buyers wanting to purchase homes than houses available for sale in Shady Hollow. In fact, as I write this newsletter, there are zero active homes on the market. In 2020, 77 homes sold, which is consistent with the average over the last 10 years, but soaring demand has caused prices to rise and days on market to drop.



What is Driving the Frenzy?

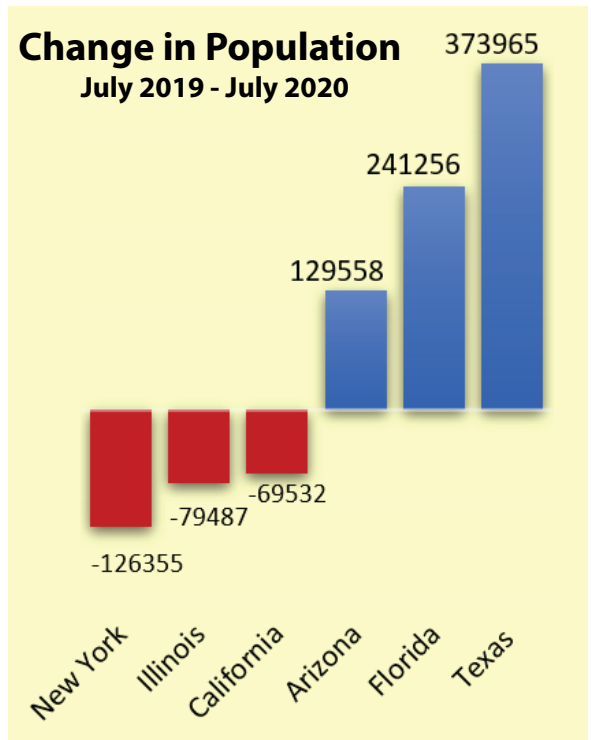
According to the Austin Board of REALTORS®, the Austin market currently has 1.1 months of inventory. A normal market is 6 months and a very busy market is 3 months. So, what is driving all of this?

Migration. Between July 2019 and July 2020, Texas has seen nearly 400,000 people migrate from out of state (most notably New York and California). With such an influx of people all needing housing in such a short period of time, and the economic uncertainty of a global pandemic, builders and developers struggled to keep up. Additionally, while Austin's home prices are on the rise, it is still very affordable comparative to other markets in the country making Austin real estate increasingly appealing.

COVID-19. Home has never been more important than now. With so many people working from home, our use of space has changed, traffic patterns have changed, and it is no longer a "must have" to live near our jobs. As a result of the global pandemic, buyer and seller priorities have shifted.

Cheap Money. The Federal Reserve has kept interest rates low for several years now. A large part of this market climate can be attributed to the access to money that has very little cost. For those who lived through the 1980s and 90s, a 2.75% interest rate was unheard of. When an interest rate is that low, the amount of home a person can afford changes greatly.

Change in Population July 2019 - July 2020



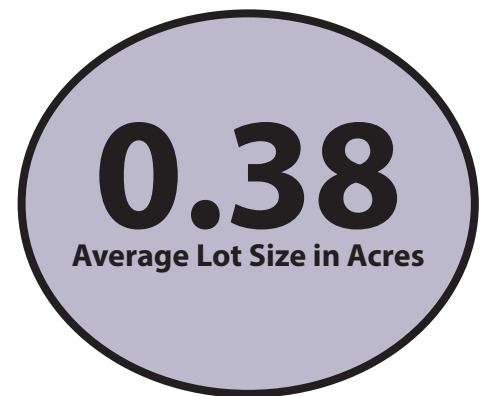
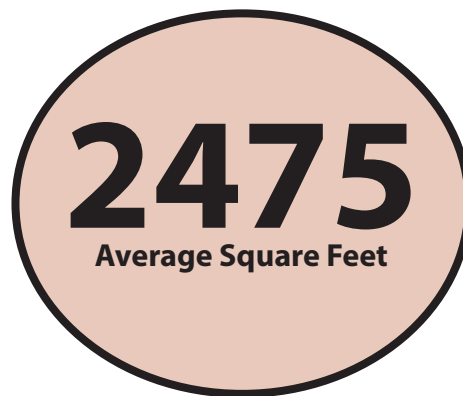
Thinking about selling your home? Call Jacob and Jess today!

How Long Will it Last?

Always a good question and the answer is hard to say. Economic forecasts are still predicting that Texas and more specifically Central Texas will continue to see an uptick. There is not enough housing to support the demand and even fewer places to build it. Shady Hollow's proximity to downtown in a post COVID world will only seem better as people feel more comfortable moving farther out of the city core.

Perhaps the more important driving factor is Shady Hollow neighborhood offers a product that is not cost effective to build any more. Good sized houses on large lots are simply too expensive to build right now. The price of land has skyrocketed causing builders to rethink how they allocate land to each house. A new construction home with a 0.38 acre lot is nearly unheard of under a million dollars. We anticipate to be another year of growth in Shady Hollow.

2020 Sales Averages:



How Can You Take Advantage?

Maybe it is the beautiful trees, highly rated schools, or meandering streets that gives Shady Hollow such a great reputation. Or it could also be that the homes in Shady Hollow meet the needs of what many buyers seek. The average number of beds of a house that sold in 2020 was 3.8. The average yard size was 0.38 of an acre. The average sq ft sold last year was 2475.

The good news is that you may be sitting on a modern-day gold mine. In 2010, 76% of houses sold for under their asking price. In 2019, 51% of houses sold at a price over their original asking price. Last year followed that trend with 61% of homes closing at or above their asking price.

Today's real estate market is proving to be a great time to sell and Shady Hollow remains at the top of the list for buyers. If you are thinking of selling or know someone who is, reach out to your neighbors at Texas Dream Realtors and we can help you navigate the real estate process.

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I am a Buyer, How do I Compete?

In this environment of multiple offers and above asking price sales, winning the deal may seem like an impossible task. However, while waiting to buy a home a few years from now might be easier, it will definitely be more expensive. Now is still a great time to buy. Working with a Realtor to help you navigate the nuances of a competitive market is imperative to securing the right home for you.

Tips For Buyers

Cash is King. In a rising sellers' market, sellers are looking more positively at a contract with more cash down. A seller likes cash because it gives the buyer more options in case the home does not appraise for the contract value. In an example where a 30% down buyer comes across a low appraisal, they could shift to a 20% down loan and still comfortably purchase the home.

Cash Purchase Services. As a response to these market conditions, several companies are now offering to help you purchase your home as an all-cash deal and then finance it to you after closing. Of course, there is a fee for this but it could save you some money against a buyer needing a loan.

A Dream Realtor®. Get yourself a Texas Dream, Realtor® and rest assured that you have someone looking out for your interests. Our agents are on top of the market and have great knowledge and experience in coming up with creative solutions to help you purchase your next home. Reach out to Jacob or Jess today!

Jacob Youngblood REALTOR®, BROKER

Jacob@TexasDreamRealtors.com
512-775-3329

Real Estate Instructor, CNE, TAHS, TFTHS

Jess Evans REALTOR®

Jess@TexasDreamRealtors.com
512-507-5660

Know more about your home's value. Call Jess today!