



INVESTORS METRO MONITOR

MAKE AND MONITOR YOUR INVESTMENT

December 1, 2018

Austin-Round Rock Texas

\$1,332 Target Rent Range **\$1,732**

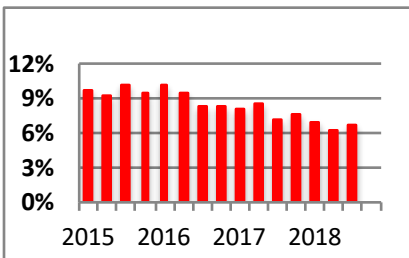
THIS RANGE REACHES 50 PERCENT OF UPPER-HALF RENTERS

EXPECTED RETURNS		
Cash on Cash	Equity	RISK
MEDIUM	HIGH	MEDIUM

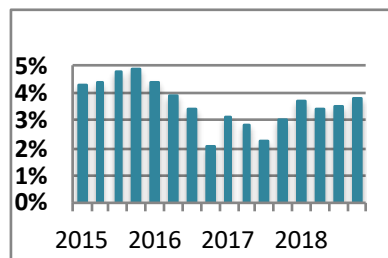
The high Home Price/Rent ratio means that investors will do best by splitting single-family homes into multiple units. Apartment buildings are a good bet but may be priced too high. Locations near colleges, medical centers, and retail complexes are favored. Aim for the upper end of the Target Rent Range. The good home price forecast suggests that buyers move quickly and encourages rehab re-sales, but can also indicate an eventual price bubble so investors must have an exit strategy if prices stall.

The economy is tied to the large government sector, business services (to the government) and information. Recent growth in government was fair. Total job growth was strong in recent months, up from 3 months ago. Population growth has been high. Over the last three years, home prices rose 23 percent, 7 percent in the past year. Income grew 10 percent (US: 9%). 42 percent of housing is rented. The market is now well overpriced, a serious concern for investors.

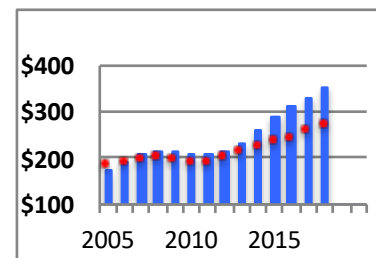
In OVERPRICED markets like this, the risk that home prices (and rents) will eventually fall increases as prices keep rising. The end of the boom is often prompted by a slowing economy. Although growth is still high, investors must closely monitor the job and price situation. Selling in the next year is a good option. An exit strategy is essential, even if it just consists of sitting tight.



HOME PRICE CHANGE



JOB GROWTH RATE



HOME PRICE VS INCOME PRICE

	CURRENT	CURRENT		3-YEAR FORECAST	
	Prices	Rents	Ratio	Prices	Rents
	\$353,300	\$1,332	22	31%	21%
US Average:	\$238,900	\$962	20	15%	10%

Positives

Homes Underpriced
Home Prices Rising Well **YES**
Population Growth High **YES**
Economic Growth Accelerating
Healthcare Jobs Growing Well
Business Service Jobs Growing Well **YES**

Negatives

Homes Overpriced **YES**
Home Prices Not Rising
Population Growth Low
Economic Growth Slowing
Job Growth Poor



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Texas

Counties

Bastrop County TX

Population: 84,761

\$941 Target Rent Range **\$1,224**

CURRENT	CURRENT		3-YEAR FORECAST	2-YEAR
Prices	Rents	Ratio	Prices	Job Growth
\$207,500	\$941	18	13%	8.5%

Hays County TX

Population: 214,485

\$1,191 Target Rent Range **\$1,548**

CURRENT	CURRENT		3-YEAR FORECAST	2-YEAR
Prices	Rents	Ratio	Prices	Job Growth
\$261,300	\$1,191	18	42%	10.0%

Travis County TX

Population: 1,226,698

\$1,294 Target Rent Range **\$1,682**

CURRENT	CURRENT		3-YEAR FORECAST	2-YEAR
Prices	Rents	Ratio	Prices	Job Growth
\$342,100	\$1,294	22	28%	5.8%

Williamson County TX

Population: 547,545

\$1,481 Target Rent Range **\$1,926**

CURRENT	CURRENT		3-YEAR FORECAST	2-YEAR
Prices	Rents	Ratio	Prices	Job Growth
\$289,800	\$1,481	16	37%	9.2%