



INVESTORS METRO MONITOR

MAKE AND MONITOR YOUR INVESTMENT

March 4, 2019

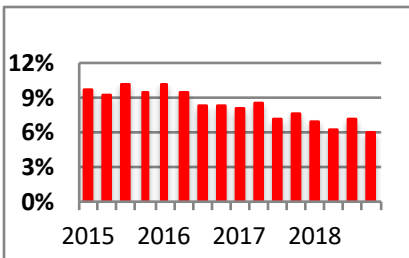
Austin-Round Rock Texas

EXPECTED RETURNS		
Cash on Cash	Equity	RISK
MEDIUM	HIGH	MEDIUM

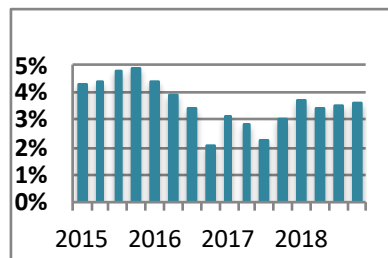
The high Home Price/Rent ratio means that investors will do best by splitting single-family homes into multiple units. Apartment buildings are a good bet but may be priced too high. Locations near colleges, medical centers, and retail complexes are favored. Aim for the upper end of typical rents. The good home price forecast suggests that buyers move quickly and encourages rehab re-sales, but can also lead to a 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, little different than 3 months ago. Population growth has been high. Over the last three years, home prices rose 22 percent, 6 percent in the past year. Income grew 10 percent (US: 9%). 42 percent of housing is rented. The market is moderately overpriced, investment risk may increase.

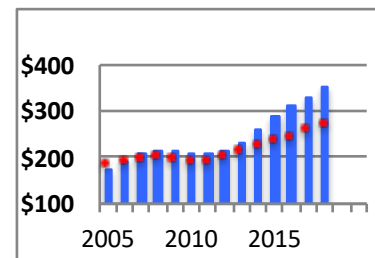
In OVERPRICED markets like this, the risk that home prices (and rents) will eventually fall increases as prices keep rising. The end of the boom is often prompted by a slowing economy. Although growth is still high, investors must closely monitor the job and price situation. Selling in the next year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



HOME PRICE CHANGE



JOB GROWTH RATE



HOME PRICE VS INCOME PRICE

	CURRENT	CURRENT		3-YEAR FORECAST	
	Prices	Rents	Ratio	Prices	Rents
	\$352,900	\$1,318	22	20%	21%
US Average:	\$238,900	\$962	20	14%	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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Austin-Round Rock

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	Rents	Job Growth
\$207,500	\$941	18	14%	12%	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	Rents	Job Growth
\$261,300	\$1,191	18	31%	19%	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	Rents	Job Growth
\$342,100	\$1,294	22	18%	11%	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	Rents	Job Growth
\$289,800	\$1,481	16	26%	33%	9.2%