

Austin's housing market remains hot

A tightening market is making it more difficult and expensive for buyers.

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The cool front blowing through many housing markets across the country has not reached Central Texas.

The number of existing single-family homes sold in February jumped 15 percent from the previous year as strong job growth continues to bring more buyers to the area.

Increased demand is pushing up home prices. In February, the median price rose 7 percent from the year before to \$169,900, according to the Austin Board of Realtors.

So far this year, the number of single-family houses sold is up 13 percent, and the median price of \$168,000 is 9 percent higher than during the first two months of 2005.

The Austin housing market continues to tighten, with the number of houses placed on the market in February not keeping up with the rate homes are being sold.

The number of active listings dropped 11 percent in February from the year before. The average time houses were on the market dropped by 13 percent to just 71 days.

The tighter market is making home buying very competitive in some areas, said Stanberry & Associates broker associate Tom Polk.

"The hardest to find is in inner Austin because people are fighting over those houses," Polk said. "You can find one, but getting it is another story."

The number of homes sold south of Town Lake, north of U.S. 290 and east of Lamar Boulevard doubled from last year, while the median price increased 17 percent to \$314,812. Sales in the Clarksville and Tarrytown areas increased only slightly from the same time in 2005, but the median sales price jumped by 38 percent to \$437,250.

The increasing demand for houses is also spreading beyond Austin's oldest central neighborhoods.

Southwest Austin remains one of the hottest markets in Central Texas. Ninety-two homes were sold in February, up from 76 the year before. The median sales price increased 13 percent to \$225,000. The number of days on the market fell from 80 to 53.

The area between Interstate 35, Slaughter Creek, U.S. 290 and MoPac Boulevard (Loop 1) is another hot spot. The number of homes sold in that area increased by 15 percent, with the median sales price rising by nearly 8 percent to \$143,500. The average number of days houses spent on the market plunged from 72 to 39.

"I think that the wave is moving down beyond Ben White and north of 51st Street," Polk said. "Some of those properties are now starting to get multiple offers as well, where people are going to be fighting over them."

During his home-buying search within the past month, Brent Annear said he quickly learned that homes go to the swift.

"It was a much more competitive situation than I anticipated," said Annear, media relations director for the Texas Medical Association.

Annear, who settled on a three-bedroom home in the \$150,000 to \$200,000 range near Parmer Lane and MoPac, said that he was in a competitive bidding situation several times and that he lost to another buyer on his No. 1 pick.

"If I learned anything, it was decide quickly, and if you decide quickly, move on it quickly," he said. "Don't hesitate, or you'll lose it."

Home sales also remain strong in Round Rock as job and population growth continue to fuel demand.

A new higher-education campus has opened, a large outlet mall will open in August, and IKEA will break ground in Round Rock today on its first Central Texas location.

"It's going nuts up here," said Mary Miner, a real estate agent with M.E. "Gene" Johnson Realtors Inc. in Round Rock.

The housing market is shifting there, although it's not a seller's market yet, she said.

"There's enough inventory that a buyer can find a good deal, but we don't have the same amount of inventory we used to," said Miner, adding that investors and out-of-town buyers are among those snapping up properties.

But Polk said he's seeing some investors becoming cautious about buying houses in Central Texas.

"There are fewer investors that are committing here because the sales prices have gone up but our rents have not," he said.