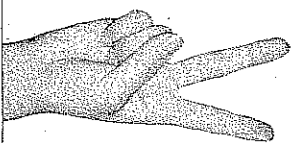


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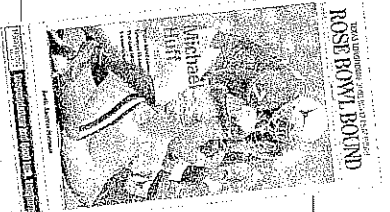
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# Austin American-Statesman

State

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Tuesday, December 20, 2005

## Buyers snapping up Austin houses

Home market surges even as supply drops; November median price hits an all-time high

By **Kate Miller Morton**  
AMERICAN-STATESMAN STAFF

Central Texas home buyers shrugged off rising interest rates in November, sending sales up 24 percent and the median price to an all-time high of \$170,000, up 15 percent. But the supply of homes fell sharply, to a

four-year low, and homes in some areas are selling within days, sometimes with multiple offers.

The hot markets include Southwest Austin, close-in East Austin, and South and Northwest neighborhoods. In East Austin, the number of sales is up 146 percent so far this year, and

The hottest Austin areas to grab a house, plus charts of the latest figures in home prices, **A8**.

the median price is up more than 40 percent to \$155,000.

Sandy Kerr, an agent with Keller Williams Realty, recently listed a house for \$199,950 in the Shady Hollow subdivision of Southwest Austin. Two days later, she said, she had a contract and a backup contract, both for

well above the asking price.

Houses that are priced well "seem to fly off the market," she said, though fast sales don't necessarily translate into big price jumps. Prices in the Southwest market rose just 1 percent last month, with a median of \$223,000.

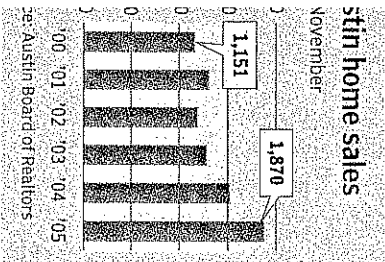
Sales have been strong all year. But until last month, prices had been rising at a more moderate pace. Through November, the median price is up 6

percent from the same 11 months of 2004.

Even in some areas where homes are selling fast, prices haven't been shooting up. But sales are growing much faster at the upper price ranges, helping drive up the median price.

Sales of homes priced between \$100,000 and \$150,000 are up about 11 percent while sales of homes priced at \$1 million and

See **HOME**, A8



Linda Scott AMERICAN-STATESMAN

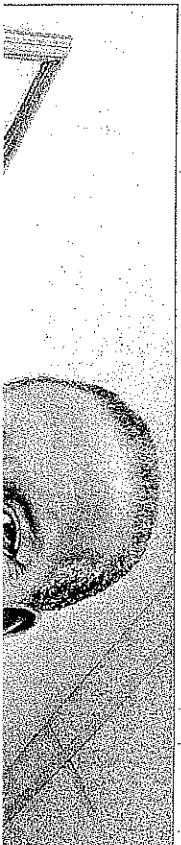
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# HOME: City's market outpaces Houston, Dallas, San Antonio

Continued from A1

up are 50 percent higher than a year ago, though only 20 homes fall into that category.

Bill Stanberry, Stanberry & Associates CEO, said he thinks demand is just one element fueling rising median prices.

"The median simply means a lot of the lower-priced homes weren't sold or weren't there to buy in November, and so the people bought higher-dollar homes," he said.

"That may be a reflection of the interest rates ticking up," he said, adding that rising mortgage interest rates have a bigger impact on buyers who may be stretching to afford houses than on more affluent people.

Mortgage rates have risen to an average of 6.3 percent, up from about 5.7 percent at the

beginning of the year, according to Freddie Mac, the federal mortgage finance company.

Through November, area sales were up 19 percent, and the median was up 5 percent, to \$163,000. But new listings have decreased all year, tightening the market for buyers.

"Austin is doing very well," said Jim Gaines, research economist with the Real Estate Center at Texas A&M University. "I don't know if you can say it's the leading market in the state, but it's definitely the leading market among the major four: Austin, San Antonio, Houston and Dallas."

Austin's momentum is bucking the national trend, according to Walter Molony, spokesman for the National Association of Realtors.

"We are seeing a slowing in home sales, but not in prices," Molony said of the national market. "Prices are continuing to rise at historically high rates. We expect price appreciation to slow down in 2006, but still rise a little faster than historic norms."

Home prices have been relatively flat in Central Texas for several years, keeping home-ownership in reach for a larger share of the market than in many East and West coast areas.

Austin's third quarter median price was \$167,100, a 5.4 increase from the year before. The national median was \$215,900, a 14.7 percent increase from the third quarter 2004.

Central Texas could see a much higher rate of appreciation next year if the new listings fail to keep up with demand. But many agents say they think the lack of new houses on the market is partly attributable to the traditional slowdown around the holidays, when owners are reluctant to show their houses.

"Buyers don't seem to be seasonal, but the sellers do," said Carol Strickland, president of Avenue One Properties.

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