

Home sales, prices climb as Central Texas market stays hot

By Shonda Novak
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As it rolls toward another potential record year, the Central Texas housing market remained on solid footing in November, with sales volume and the median home sale price both higher than a year ago.

Sales of single-family homes in the metro area climbed 3.7% from the prior November, as 2,196 homes changed hands, the Austin Board of Realtors said Thursday.

Half of the homes last month sold for more than \$296,500 and half sold for less, for a 2.9% increase in the median price.

Both the sales and median price figures are records for the month of November, keeping 2017 on track for a seventh straight record year of home sales and prices, the board said. It reported 27,710 local home sales through November, up 1.8% from the same period last year.

"If this month's home sales volume exceeds that of December 2016, 2017 most likely will be another record-breaking year for the Austin-area housing market," Brandy Guthrie, president of the Austin Board of Realtors, said in a written statement.



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Both pending sales and active listings figures across the five-county Austin-Round Rock metro area indicate that single-family home sales growth could continue through the end of 2017, the board said. In November, active listings increased 13.7% to 6,391 listings, and pending sales jumped 14.9%, to 2,340 sales in the pipeline to close.

Sales were up 10.2% in Williamson County and 14.3% in Hays County, the board said.

In Travis County, however, sales declined 1.3%, due mainly to a 3.3 percent decrease in home sales within Austin's city limits.

"Due to rapid population growth throughout Central Texas, Austin continues to have one of the highest demands for housing in the nation," Guthrie said. "Homes sales are the strongest where price points are the lowest and where

development options are available, such as parts of Williamson and Hays counties. We are seeing some slowing home price appreciation and housing inventory gains, which is normalizing us to a more stable market and aligning us with long-term historical market trends."

The median price for single-family homes within Austin's city limits increased by 6.8% year-over-year to \$360,000. In Travis County, the median price rose 6.1%, to \$341,000, according to the board.

In Williamson County, the median price was \$275,00, unchanged from November 2016. Hays County's median price also was up, increasing 4 percent, to \$260,000.

Mark Sprague, a housing expert in Austin with Independence Title, said the 2018 Austin-area housing market will be a lot like this year's — "slower, but still very strong."

However, the market could face some headwinds, he said.

"Slowing job growth in Central Texas, the impact of Hurricane Harvey on the price of building materials and housing development costs and the overhaul of the U.S. tax plan are all factors that could hinder housing market growth and negatively impact housing affordability in the Austin area in 2018," Sprague said.

Mark Wolf, founder and CEO at AHV Communities, echoed that assessment.

"Home price appreciation and prices will continue to be very strong into 2018," Wolf said. "We anticipate similar challenges of 2017 that will impact the entry-level housing market in the Austin MSA in 2018. Supply has not kept up with robust demand, pushing prices up and further compounded by labor and material cost increases exacerbated by Hurricane Harvey."

And although Central Texas is seeing a lot of new apartment construction, Wolf said, it is "concentrated in higher cost areas such as downtown. But not everyone can afford to or wants to live in a high-rise, especially those with a family."

Cari Clark, a vice president with Kuper Sotheby's International Realty, said she is starting to see some Austin area residents — typically middle- to upper-middle-class retirees — moving away.

"I have several listings coming up in 2018 that this is the case," Clark wrote in an email. "The traffic and property taxes are just too much, and it's too hot. These are people who have lived in Austin for years."