

# August sales show continued strength

## Area bucks national cooling trend

By [Claudia Grisales](#), [Shonda Novak](#)  
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No housing slowdown in Central Texas.

Sales of single-family homes in August were up 6 percent year-over-year, according to the Austin Board of Realtors report released Friday.

That translates to 2,805 homes sold last month, the second highest monthly figure this year.

The median sales price was up 8 percent to a record \$182,500.

Buyers are snatching up homes at a faster clip, which bodes well for the market next year, says John Rosshirt, chairman of the Austin Board of Realtors.

"People will be cautious during the winter," Rosshirt said. "But all indicators show it will really kick off again in the spring."

The number of homes for sale fell 8 percent in August compared with a year earlier, while the average time that houses spent on the market fell from 67 to 60 days.

Nationally, the most recent figures show that the median sales price was \$231,100 in July, as home sales dropped 5 percent year over year.

Supply and demand isn't the only thing pushing prices higher, said Eldon Rude, director of the Austin office of residential market research firm Metrostudy.

Rising construction costs for both materials and labor also are a factor, Rude said.

According to some local contractors, structural steel materials have risen 20 percent in the past year, metal roofing rose 15 percent, and drywall prices jumped 40 percent during that time.

"Builders are paying more for their lots and to build the houses. They've been getting more and more expensive," Rude said.

Year-to-date, sales and prices are also up.

For the first eight months of the year, 18,597 homes sold, up 12 percent compared with the same period last year, the board reported.

Both central city and suburban neighborhoods saw prices and sales climb.

A pocket of East Austin bounded by Interstate 35, FM 969 and U.S. 183 posted a 59 percent increase in sales, while the median price climbed 12 percent to \$126,000.

The Dripping Springs area posted a 51 percent increase in sales and a 25 percent increase in median price, to \$369,000.

The West Lake Hills area posted a 19 percent drop in sales, but the median price rose 34 percent to \$750,000.

And farther out, sales dropped in the Liberty Hill area, but the median rose 77 percent to \$247,000.

So far this year, about one-third of the sales were for homes in the \$110,000 to \$160,000 range.

On the higher end, demand remains vigorous.

Home sales in the \$900,000 to \$1 million range were up 70 percent. And for homes priced at \$1 million and higher, sales were up nearly 60 percent.

"It's unbelievable," said Andrews, who is working with several buyers in the \$1 million range. He said several factors might be at work, including an influx of out-of-state buyers.

Andrews said he is working with buyers from New York City, Miami and Raleigh, N.C.

And Californians continue to come in substantial numbers, as they cash out the equity in their homes in that pricey market to get more house for their money here, Rude and many brokers say.

cgrisales@statesman.com; 912-5933; snovak@statesman.com; 445-3856