



Austin home prices hit historic highs during record-breaking summer

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Low interest rates and a work-from-home culture are turning Austin into a red-hot real estate market. *Photo courtesy of*

Austin real estate is so hot that it seems every metric — price, number of homes sold, sales dollars — is breaking records. In August, the city of Austin hit its highest median price in history, and as new buyers besiege the entire metro region, sales are trending up by double digits.

According to the Austin Board of Realtors' Central Texas Housing Report for August(<https://www.abor.com/statsaug20/>), median home prices inside the city limits now sit at an eye-popping \$435,000 — an all-time high for any month on record and a 14.9 percent increase over last year. (It was only 14 months ago that Austin cracked(<https://austin.culturemap.com/news/real-estate/06-20-19-home-prices-within-austins-city-limits-shoot-through-400k-ceiling/>) \$400,000 for the first time ever.)

Driving this price are the homes — or lack of homes — on the market. Residential sales in August increased only 2.4 percent over 2019, while sales dollar volume jumped 19.9 percent. It appears people want to live in Austin and they're willing to pay a lot of money to do so.

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“The pandemic has put our market in a unique situation. As more people are working from home and have the opportunity to relocate, Austin-area homes are selling faster now than ever before,” said Romeo Manzanilla, 2020 ABoR president, in the report.

“Austin’s popularity has left the market with critically low levels of housing supply, which continues to drive home prices up. While home prices are rising, historically low interest rates are giving buyers increased power to meet the increases.”

Those record-low interest rates are also pushing buyers to act fast, which in turn is keeping homes across the Austin-Round Rock region on the market for an average of just 42 days, 10 days fewer days than August 2019, and well below the numbers of a "healthy" real estate market.

Median home prices across the metro area, which includes Travis, Williamson, Bastrop, Hays, and Caldwell counties, is now at \$355,000, an 11.3 percent jump year-over-year. Home sales across the region experienced a double-digit increase of 12.9 percent over August 2019 to 4,019 sales.

During that same period, active listings across the region plummeted almost 45 percent to 4,257 listings in the five-county area.

"It's safe to say that August numbers solidify that Austin's housing market has fully rebounded," said Mark Sprague, state director of information capital at Independence Title, in the report. "And, as long as we continue to see more job creation, we'll likely see strong home sales throughout the remainder of the year. However, we started this year with a lack of inventory, and we're going to end this year with a lack of inventory. Inadequate housing stock is going to be the main issue that holds the market back."

Travis County's median home price increased 19.2 percent to hit \$430,000, and residential sales climbed 9.2 percent to 2,015 sales. Meanwhile, new listings stayed relatively the same, increasing just 1 percent, while monthly housing inventory decreased from 2.5 months in August 2019 to 1.4 months last month.

Williamson County remained slightly more affordable than its neighbors in Austin or Travis County. Though residential home sales increased 13.5 percent, the median price rose a relatively palatable 5.7 percent to \$307,500. Housing inventory in that county also tanked, and now sits at just 1.1 months. Bastrop County saw a reverse trend, with home sales increasing just 4.1 percent while the median home price soared 16 percent to \$278,500.

Like Bastrop, Hays County also saw a double-digit climb, with the median price for homes increasing 16.9 percent — the highest in the five-county area — to \$308,500. Hays' inventory decreased from 3.2 months in August 2019 to 1.5 months in August 2020.

And then there's Caldwell County, where up is down and down is up. In August, Caldwell actually saw a 1.7 percent drop in its median home price, which now sits at \$212,900. Despite the decline in price, home sales were up 16.1 percent to 36 sales, as were active and pending listings.