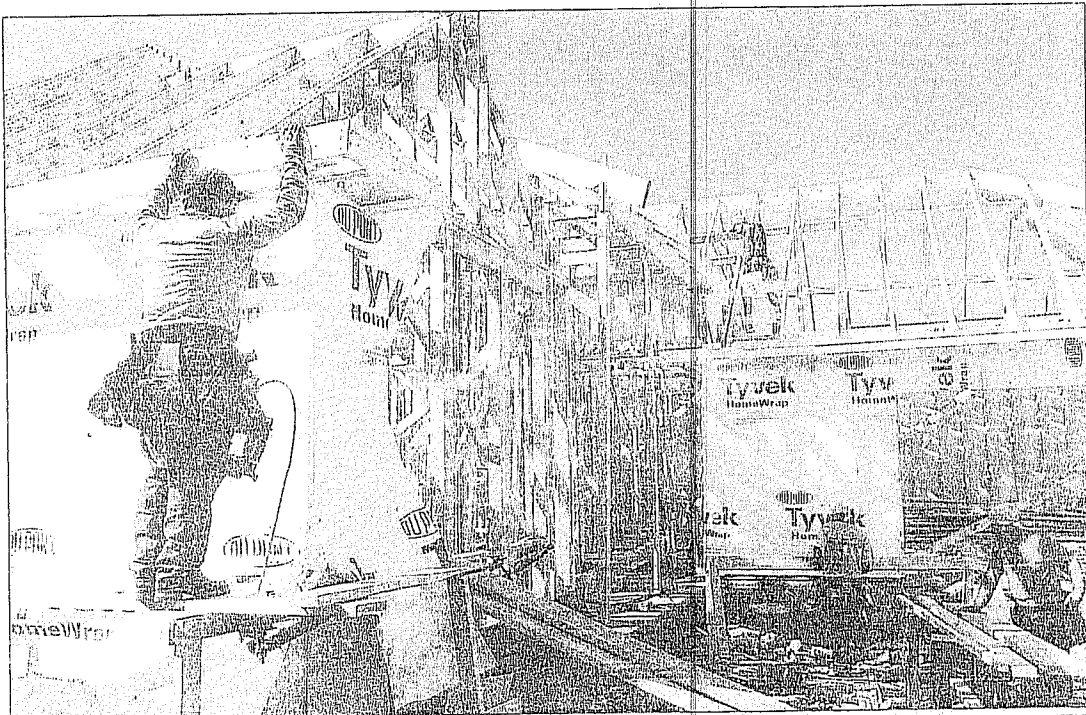


# San Antonio Express-News

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## Going through the roof

Local home prices up 9% as supply of houses tightens



HELEN L. MONTROYA/STAFF

New houses like this one being built in the Roseheart subdivision on the North Side are an especially precious commodity.

By JENNIFER HILLER  
EXPRESS-NEWS BUSINESS WRITER

The housing bubble may be bursting elsewhere, but San Antonio remains a seller's market.

Sale prices of existing homes climbed 9 percent in the first quarter of 2006, compared with the same quarter in 2005, according to a report released this week by the San Antonio Board of Realtors' Multiple Listing Service.

A shrinking inventory of existing homes and a small supply of new homes that are vacant and ready for move-in — combined with the city's job growth — is helping fuel the price rise.

Real estate is big business in San Antonio. 1E

And school crowding is adding pressure to the Stone Oak home market.

Randall Allsup, San Antonio manager for Metro/Study, a real estate and development research firm, said the bottom line for buyers is this: Move quickly.

"If you find a house today, you'd better make an offer on it or it won't be there," he said.

The median price of a San Antonio home reached \$131,900, a 9 percent increase over the first quarter of 2005, when the median price was \$121,200.

That's right in line with

what Fortune magazine predicted in its December 2005 issue, when it pinpointed San Antonio as the nation's hottest market for price appreciation, projecting it at 8.3 percent.

The rising prices coupled with the shrinking inventory mean a tight market of fewer choices for San Antonio home buyers.

The number of existing homes for sale shrank to 7,702 homes by the end of March, an 8.5 percent decrease from the number of homes available in March 2005, according to MLS figures.

That's a four-month supply of existing homes if sales con-

See SAN ANTONIO/9A

### Decline in existing homes for sale

The number of existing homes available for sale in San Antonio fell significantly last month.

Existing homes available in March of the past 5 years

Year	2002	2003	2004	2005	2006
Existing homes available	6,552	7,352	8,433	8,421	7,702

Source: San Antonio Board of Realtors Multiple Listing Service, March 2006 report

MARK BLACKWELL/STAFF

## San Antonio house sellers are living on Easy Street

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rine at the current rate, while a six-month supply is considered a balanced market.

Just 1,500 new homes are ready for move-in, or a 1.2-month supply, according to Metro/Study. Three and a half months is considered balanced. That's a sharp contrast to the picture across the country, where the number of homes on the market is rising as the real estate market softens.

The national housing inventory rose 5.2 percent in February to more than 3.03 million homes for sale, a 5.3-month supply of homes, according to the National Association of Realtors.

Tight markets in San Antonio mean tight time frames, too. San Antonio-area homes took an average of 64 days to sell in March, down from the 78-day average in March 2005. And homes were selling at 97.2 percent of the asking price at the end of the month.

In the Stone Oak area, sales were especially brisk, up 25 percent in the first quarter.

There, home buyers must have a contract date of April 30

*"If you want a house, make up your mind and get on with it or get out of the way. Because someone is going to run up your back."*

DWIGHT HALE  
broker-owner of ReMax North

or earlier to enroll their children in Bush Middle School or Reagan High School, two of the North East Independent School District's most desirable campuses. After that, new students will be sent to other schools to ease crowding until the district can open other campuses in 2007.

San Antonio's "hot market" hype might make some prospective home buyers feel pressure to hurry up before they get priced out of the market.

Not to worry, says James Gaines, research economist with the Texas A&M Real Estate Center.

San Antonio sellers will try to get more money for their homes this year — and they will often be successful. But as long as the builders keep producing new homes it will put a constraint on how high prices can go, Gaines said.

"People shouldn't worry about price spikes," he said. Selection and availability are another matter.

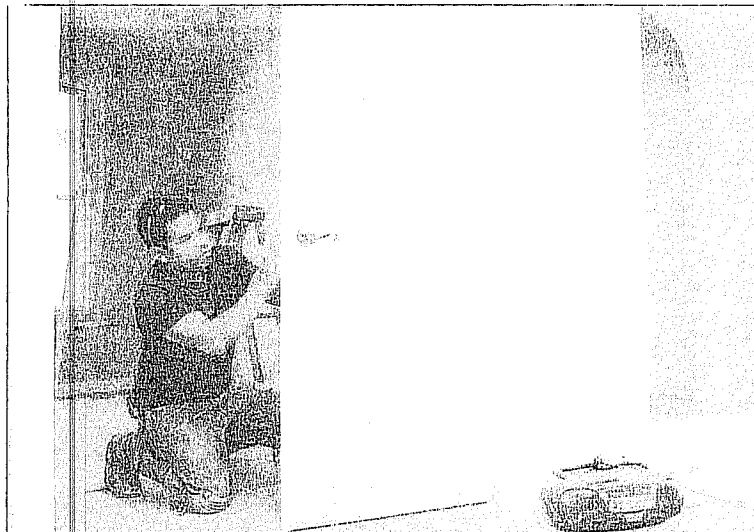
Travis Kessler, CEO of the San Antonio Board of Realtors, said there's still an ample inventory of homes because of the pace of new-home construction.

"They're building as fast as they can in any geographic area," he said. "It's still a very stable market."

The issue then, is not so much the number of houses; it's what to build them on.

Although local builders expect to complete 18,000 homes in 2006, there's growing pressure on builders to find vacant lots, said Becky Oliver of the Greater San Antonio Builders Association.

Metro/Study estimates a 12.9-month supply of lots, the lowest in three years, and well below



HELEN L. MONTROYA/STAFF

Ben Moreno of Lopez Paint sands a door in a new home in the Roseheart subdivision on the North Side. Supply of available homes is low, making it a seller's market.

the 20-month supply that's considered balanced.

"That's extremely low. We're developing and delivering more lots than we ever have before," Allsup said. "The employment picture here in San Antonio is what's driving everything."

Norman Dugas, a residential developer and past president of the Real Estate Council of San Antonio, said lot supply is the

biggest constraint right now on the availability of new homes for purchase.

"A month doesn't go by that a new builder from out of town doesn't contact us trying to find lots," he said.

"I tell them all the same thing: We don't have any lots. There are no lots available."

That kind of market can pressure home buyers — especially

first-time buyers who typically prefer to spend more time making a decision, said Dwight Hale, Realtor and broker-owner of ReMax North.

"If you want a house, make up your mind and get on with it or get out of the way," Hale said. "Because someone is going to run up your back."

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