

GALVESTON COUNTY
THE DAILY NEWS

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Island home sales, prices on the rise

By LAURA ELDER | Posted: Tuesday, January 21, 2014 8:21 am

Hot market: Houston's sizzling economy, largely fueled by the white-hot energy industry, continues to fuel the island's real estate market.

Year-end 2013 residential real estate transactions rose 11 percent, with 637 properties selling last year, compared with 576 the year before. Not surprisingly, hot spots include West End beach-front and beach-side homes, where sales increased 36 percent and 48 percent, respectively.

And continuing what appears to be an enduring trend, transactions in seawall-protected neighborhoods, such as Adler, Colony Park, Denver, Cedar Lawn, Campeche Cove and Evia, shot up 78 percent, with 57 sales in 2013, compared to 32 the year before.

Transactions in the University of Texas Medical Branch/downtown areas, including lofts and condominiums, rose 1 percent, to 115 sales in 2013, compared with 114 the year before. But while the number of transactions in that area remained essentially the same, dollar volume spiked 43 percent to \$22.4 million in 2013, compared with \$15.6 million the year before, indicating prices are rising.

For all of Galveston, the median selling price — the price in the middle of the sale price range in an area — rose to \$204,500 in 2013, compared with \$179,500 the year before, a 14 percent increase.

For the medical branch/downtown area, the median selling price rose to \$156,000 in 2013, compared with \$130,000 the year before, a 20 percent increase.

Unlike the Houston market, where bidding wars have become legendary, Galveston isn't yet a seller's market. But industry observers said there are few signs Houston's economy is cooling, which bodes well for the island.

The energy sector continues to drive job growth in Houston, as does the medical industry. In what's been the trend for several years, Texas oil and energy executives flush with cash are snapping up second homes on the West End, while many in-town sales are driven by buyers looking for properties for lucrative short-term rentals or investments, industry observers said.

"Galveston is so very lucky to have Houston 50 miles up the road," said Claire Reisweg, co-owner of Sand 'N Sea Properties. "When Houston's economy is strong, it means that Galveston has more visitors and it has more people buying second homes."

Sand 'N Sea compiled the data from the Galveston Association of Realtors Multiple Listing Service. The data represents all island properties in the multiple listing service, not just those listed with Sand 'N Sea Properties. It's also important to note that the Galveston Association of Realtors' multiple listing service does not include data for

all real estate transactions on the island, which means many more transactions occurred last year. Some developers or owners might sell their properties without listing them on the service.

Looking up: Meanwhile, in separate but related news, representatives for island luxury condominium developments Emerald and Diamond Beach reported record-breaking sales for 2013. Read more about that in Thursday's Biz Buzz.

Cruise news: Here's a nice way for a travel agency to celebrate a new office — give away free cruises.

Marchi Travel Service is planning an open house from 5 p.m. to 7 p.m. Wednesday to show off its new offices, 2724 61st St., Suite 4, on the island. The public is invited to take a tour, meet the staff, partake in light refreshments and, of course, register for cruise giveaways.

The Galveston Chamber of Commerce has scheduled a ribbon-cutting ceremony for 5 p.m. At 7 p.m., representatives of Carnival Cruise Lines and Royal Caribbean International will each draw a winner of a cruise on their respective ships.

Participants must register for the cruises on the day of the open house, with one entry per household. Registration begins at 9 a.m. Wednesday. You don't have to be present to win, however.

Royal Caribbean is awarding a seven-day cruise for two from Galveston, and Carnival Cruise Lines is awarding a cruise of up to eight days for two. Airfare is not included. For information, call 409-762-2612.

Taking a Gander: Nearly 10 years after outdoor specialty retailer Gander Mountain Co. axed plans to open a store in the Clear Lake area, rumors are flying the chain is taking a second look at the market.

Officials with St. Paul, Minn.-based Gander Mountain couldn't immediately be reached for comment Monday. But some readers are reporting the retailer of hunting, fishing, camping and marine gear is planning a store in the vicinity of Baybrook Mall.

In 2004, Gander Mountain had planned to open in the Baybrook Gateway Shopping Center on the southeast quadrant of Interstate 45 and Bay Area Boulevard.

Would you like Gander Mountain to open in this area? Visit Buzz Blog, galvnews.com.

Fit to print: Details were scarce, but activity at the old Wagner Tractor & Implement Co., 12230 state Highway 6, in Santa Fe has produced Tomahawk CrossFit gym, which is open, city officials said. Wagner Tractor moved from the site years ago, and other tenants have come and gone.

Read more in Thursday's Biz Buzz about other new businesses in Santa Fe.