

This is how the vacation home market in Galveston is doing

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Andrea Sunseri has rarely seen the Galveston home market so hot in her nearly 40 years in real estate.

The Realtor with Galveston-based Sand 'N Sea Properties recently represented a homebuyer from the north side of Houston who was looking for a beach home on the 32-mile-long island south of Houston.

When a duplex two blocks from the beach in the older, eastern end of Galveston hit the market, Sunseri's buyer immediately pounced on the property, which received five offers on the first day.

"My buyer bought it sight unseen," Sunseri said. "Everybody wanted this home."

Sunseri — a self-described "BOI," or "born on the island" — has been busy brokering vacation home sales in Galveston despite the oil slump roiling the housing market an hour north in the Bayou City. The lack of beach home inventory coupled with the growing demand for affordable vacation homes a short drive from Houston is fueling the hot housing market on the island, Sunseri said.

"Business is very brisk. We haven't seen a slump at all," Sunseri said. "Our main problem is finding properties to sell. When they come on the market, they're gone."

Rebuilding from Hurricane Ike

Galveston's housing market has come a long way since 2008, when Hurricane Ike devastated the Gulf Coast region. After the hurricane blew through the island, downtown Galveston was inundated with eight to 10 feet of water.

Sunseri remembers floodwaters covering the mezzanine seats in The Grand 1984 Opera House. But three months after the hurricane, the Galveston opera house reopened and held its first performance. That's when Sunseri knew the island and its housing market would recover.

"I like the expression, 'Tough times don't last. Tough Texans do,'" Sunseri said. "That's the truth. We in Galveston have been through so much devastation through the years, we just pick up and move on."

Galveston has indeed moved on from Hurricane Ike. There's a slew of new restaurants in downtown Galveston, and the city of Galveston recently wrapped up several beach improvement projects totaling more than \$44 million. Many of these improvements were spearheaded by longtime former Galveston Mayor Lyda Ann Thomas, who died April 19 at the age of 80.

This past fall, 15 new blocks of beaches were created west of 61st street. A half-mile beach has popped up near the Dellanera RV Park. And in May, the city completed a \$19.5 million effort to replenish and expand its seawall beaches from 12th to 61st streets. As part of the beach expansion, the city added new toilet and shower facilities; parking spots and about 1 million cubic yards of new sand — roughly equivalent to more than 200 million milk jugs.

"Galveston is booming right now," Sunseri said. "We've got wonderful restaurants and entertainment. Where else can you go to play golf, go fish and lay out on the beach — all on one island?"

Hot market

The beach expansions have renewed interest in Galveston's vacation homes, Sunseri said. Despite a slight dip in sales activity in 2015, Galveston's housing market has rebounded from the oil slump as a growing number of retiring Baby Boomers and empty-nesters are coming down to live and play in Galveston.

Buyers are attracted to Galveston's beachfront homes, which are generally more affordable than those in retirement hotspots like Florida, Sunseri said. In 2016, the median home sale price in Galveston was nearly \$338,000, according

to the Houston Association of Realtors. On the other hand, the typical home in Miami Beach, Florida, can cost upward of \$500,000.

“Galveston is still one of the more affordable coastal areas,” Sunseri said. “We’re certainly much more affordable than Florida. If a home is priced well, and in a good condition and location, it will sell quickly.”

However, a lack of home inventory on the island is driving up sales activity — and prices. Median home prices have jumped 19 percent between 2013 and 2016. At the same time, the average number of days a home listing stays on the market has been halved, from 144 days in 2013 to just 78 days in 2016, according to HAR.

“If you see any slowdown in home sales in a certain area of Galveston, it’s not because of a lack of interest,” Sunseri said. “It’s a lack of inventory.”

Many of Galveston’s homes are aging, but few homebuilders are rebuilding or developing new beach homes on the small island. Most of the beach homes on the west end of Galveston were started in the late 1950s through the 1960s. Some of the oldest homes on the island date back to the 1850s.

Buyer profile

Galveston homebuyers tend to run the gamut, from families with young children to retirees looking to spend their golden years fishing and swimming in the Gulf of Mexico. More and more buyers are looking for homes near downtown Galveston’s restaurants and historic district, Sunseri said.

Some buyers are investors who want to use their vacation home a few weeks out of the year and rent it to vacationers the rest of the time, Sunseri said. Other buyers are medical students and residents at nearby University of Texas Medical Branch at Galveston, which broke ground in April on a new \$90 million education center.

The vast majority of homebuyers are from Texas, primarily Houston and farther north to the Dallas area. There are a few “winter Texans,” northerners who spend their winters down south by the beach, Sunseri said.

Many Galveston homebuyers want a beach home with plenty of bedrooms to sleep their entire family and friends as well as at least two bathrooms, but don’t mind an older property.

“People are looking for a beach view and activities that they can do here that they can’t in The Woodlands,” Sunseri said. “They’re willing to sacrifice a little bit on the amenities they have in their primary homes to be able to say, ‘We have a beach house.’”

No matter their background, everyone is searching for a slice of the beach life in Galveston, Sunseri said.

“I have heard from so many people driving across the causeway that they feel the weight of the world lifted off their shoulders,”

Sunseri said. “People are looking to Galveston for that slow-down, relaxed mode of living.”



Andrea Sunseri, a Galveston Realtor, has been working the Galveston Island home area since 1977 and said she has seen the vacation and secondary home market pick up in the last year.