

5 real estate trends to know in The Woodlands

With The Woodlands moving closer to residential build-out, new trends have emerged in the area's real estate market in recent years.

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1 NEW AFFORDABLE OPTIONS ON MARKET IN THE WOODLANDS

After a decade of rising home prices in The Woodlands, new affordable housing is coming on the market this summer as the master-planned community draws closer to build-out.

Between 2005 and 2015, the median sales price for homes in The Woodlands more than doubled from \$252,055 to \$562,000, a 122 percent surge, according to data from The Woodlands Development Company. Median annual household income during the same period increased by 32 percent, from \$136,000 to \$180,000, according to the data.

This summer, in an effort to offer more affordable housing choices, the Development Company is selling new town houses and single-family homes in the May Valley area in the Village of Sterling Ridge, said Heath Melton, vice president of master-planned communities for residential development for the Howard Hughes Corporation. The starting price for the town houses is \$230,000, Melton said.

"We think it's right in tune with what the market needs to be from a product standpoint,

and from a price point standpoint, it was very needed in our market," he said.

Paying \$300,000 or less for a home is typically considered affordable by most buyers in the real estate market today, Melton said. However, homes on the market in The Woodlands vary widely in price, according to the Houston Association of Realtors. For example, homes in the gated Carlton Woods subdivision are on the market for \$7 million, while some single-family homes in older areas are available for under \$200,000.

"I think some of the products we've brought on here recently have helped offer that affordability and not put as much pressure on the lack of supply," he said. "They are still very nicely appointed homes that consumers find attractive."

Looking at the history of The Woodlands, the offering of products both in style and price has been part of The Woodlands' philosophy since the beginning, Melton said.

"We might have stepped away from that a little bit during the peak of the market, but that's just filling demand and where everybody wanted to be," he said. "Now, we've brought that product back even on the tail end of the community."

NEW Neighborhoods

New homes in The Woodlands have primarily been built in neighborhoods in the Village of Creekside Park and Grogans Mill Road.

1. Grogan's Crest
2. Lakeside Cove
3. Liberty Branch
4. Wooded Overlook
5. May Valley
6. The Woodlands Villas



2 NEW HOMES ARE DEVELOPING IN SURROUNDING AREA AS THE WOODLANDS NEARS BUILD-OUT

New neighborhoods have been developing in and around The Woodlands during the past few years, bringing an oversupply of housing inventory to the surrounding area, according to real estate professionals.

Somer Padilla, a real estate agent at Beth Ferester & Company, said although new homes have been built in The Woodlands over the past couple of years, new neighborhoods, such as Harmony and Stillwater, are shifting to outlying areas because the master-planned community is running out of space.

"There is not enough space in The Woodlands for new neighborhoods," Padilla said. "So neighborhoods have been developing near FM 1488, Hwy 242 and in Spring.

According to The Woodlands Development Company, The Woodlands has only 800 lots left to be filled until it reaches a residential build-out.

Padilla said builders are also hurting, because insufficient buyer demand has led to an oversupply of houses recently built around The Woodlands.

"The surrounding area is overbuilt, and there are not enough buyers," she said. "There have been slim pickings in The Woodlands."

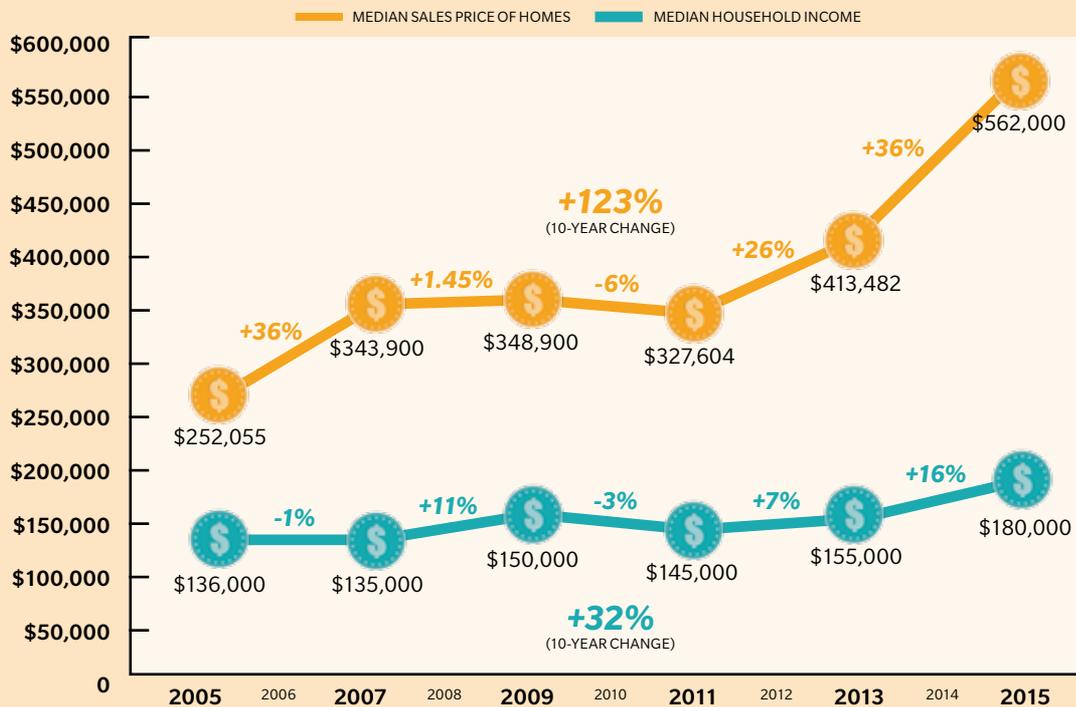
Padilla said while she does not think any big residential development projects will take place in The Woodlands anytime soon, more residents are expected to move to the area next year to work at ExxonMobil, which will result in more homes being bought.

"Growth is not at the level of what it was two years ago," she said. "The past five years, there was a boom in the Creekside area and the back of The Woodlands, and that's slowing down."



AFFORDING A HOUSE IN The Woodlands

Between 2005 and 2015, the median sales price of homes in The Woodlands soared by 123 percent while the median household income rose 32 percent.



SOURCE: THE WOODLANDS DEVELOPMENT COMPANY/COMMUNITY IMPACT NEWSPAPER

3 CENTRO DEVELOPMENT IS ON TRACK TO BE COMPLETED IN 2018

Construction has been pushed back from this spring to this fall on Centro, a 13-acre, single-family residential development on the east side of I-45 in Shenandoah, said Tim Crawford, Palmetto MDR President and owner of the Centro development.

The development will be a gated community with single-family homes, new concept town houses and commercial buildings, Crawford said.

"There is nothing in the area with modern design, the proximity to amenities and transportation access at this low price point," Crawford said. "It just doesn't exist anywhere in North Houston."

Crawford said he believes the "lock and leave" community type of community will appeal to international residents, single parents, empty nesters and young retirees.

Constructing Centro

A new development is coming to Shenandoah on the east side of I-45.

78

new single-family homes (2 stories)

18

new concept townhomes (3 stories)

Price range:

\$300,000-\$400,000+

Size range:

1,900 square feet-**2,600** square feet



2 two-story commercial buildings

40,000

square feet of commercial space



Timeline

The entire Centro development is expected to be complete by the end of 2018.

FALL 2017

Construction begins

WINTER 2017

Homes will begin to go up

LATE 2018

Construction is slated to begin on commercial buildings

SOURCE: PALMETTO MDR/COMMUNITY IMPACT NEWSPAPER

4 MILLENNIALS IN THE WOODLANDS SEEK SUSTAINABILITY IN LOCAL REAL ESTATE MARKET

A common trend among millennials seeking to buy homes in The Woodlands area is sustainability, said Gerald Jolly, Gracepoint Homes vice president of sales and marketing.

"The keyword for millennials is sustainable," Jolly said. "They're a little more frugal, and they spend on what they see as needs more than wants."

Millennials look for homes with appliances and features that will not need to be replaced for several years, which may add to upfront costs but could save money in the long run, Jolly said.

Millennials accounted for 22 percent of The Woodlands' population as of 2015, according to The Woodlands Development Company. However, millennials have not been buying homes at the same age their parents or grandparents did, Jolly said.

"Millennials—because they have stayed at home longer with mom and dad, went to school longer, the job market wasn't as good—if they're buying houses, they're buying houses later," he said.

As millennials look for homes, they gravitate toward price first, Jolly said. They are not necessarily seeking older homes to remodel or flip because of added costs, he said.

Now that more millennials are starting families of their own, they are moving from inside Loop 610 to more suburban areas of Houston like The Woodlands, Jolly said.

"They're becoming suburb-type people because school districts all of a sudden are becoming more important, so the lifestyle of being inside the loop may not be as important," he said.

MILLENNIALS IN THE WOODLANDS

As more millennials enter the work force, many of them are finding their niche in The Woodlands.

MILLENNIAL POPULATION IN THE WOODLANDS
TOTAL POPULATION IN THE WOODLANDS



SOURCES: THE WOODLANDS DEVELOPMENT COMPANY, U.S. CENSUS BUREAU/COMMUNITY IMPACT NEWSPAPER

A GUIDE TO HOUSE FLIPPING



Do market research

Find out how much average homes are selling for and how fast properties are selling.



Arrange financing for a flip

Common methods for financing a flip of a house include using a loan, a home equity loan or high moneylenders.



Find a real estate agent

The agent can get comparable sales and write up offers.



Get the house inspected

Hire a professional inspector to inspect the property, which can cost between \$400 and \$600.



Find a good contractor to secure permits and inspections

Contractors can be found through another real estate investor, house flipper or property manager.

SOURCE: BIGGERPOCKET'S/COMMUNITY IMPACT NEWSPAPER

5 TREND OF FLIPPING OLDER HOMES RISES IN THE WOODLANDS REAL ESTATE MARKET

Homes in older neighborhoods of The Woodlands, such as the Village of Grogan's Mill, are not going out of style with time but are instead being redeveloped to meet the needs of the current real estate market.

Cynthia Zarco, co-owner and broker of Zarco Properties, said the rise of HGTV shows like Fixer Upper have made flipping homes more popular in The Woodlands area.

"It's picking up here," Zarco said. "I myself have done four flips on houses and fixed them up. The Woodlands has filled up, with the exception of Creekside Village, and this means older homes are being sold."

Zarco said the oldest homes in The

Woodlands can be found in the Village of Grogan's Mill, which has homes that were built in the 1970s and 1980s.

"We are out of space, and that area is a prime location and a desirable area," she said. "I think Grogan's Mill is the next Bellaire and West University. And there is nothing more rewarding than taking an old dog of a house and changing it."

Zarco advised homeowners to do their homework before flipping a home, since it is a learning process. Talking to a real estate agent beforehand helps with the process of redeveloping a home and putting it back on the market.

"I see a bright future for older neighborhoods," Zarco said. "It's a trend to buy on based on the location."