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Preserving a Honky-Tonk Culture While Attracting New Buyers



Mark Graham for The New York Times

BOOMING NEIGHBORHOOD Clockwise, I-35 separates the downtown lights from East Austin, which has attracted buyers.

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By BETH GREENFIELD
Published: December 10, 2006

AUSTIN, Tex.



LORI GLIDDEN, a 32-year-old drummer and massage therapist who bought her two-bedroom home in the East Austin neighborhood about a year ago, strolled a couple houses down to visit neighbors on a recent afternoon, a glass of Lone Star beer in hand.

"It's just such a neighborly neighborhood," she declared about Pandora Street, a cozy, quiet dead end that feels something like a radical, racially harmonic version of Mayberry. She noted the occupants of the other houses on the block: a lesbian couple with a child, an elderly African-American woman, students sharing a duplex rental, and Freddie Samarripa, a Hispanic grandfather of

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15 who lends Ms. Glidden tools and invites her over for holidays.

Lori Glidden, shown with a neighbor,

Freddie Samarripa.

And then there were the requisite artists — Ryah Christensen, a 29-year-old painter, and Sun McColgin, 35, a sculptor — whom Ms.

Glidden had set out to visit. She arrived at their electric-yellow house to find them out in the yard with some friends, all pouring the concrete foundation for a new work studio.

At first glance, this neighborhood's gentrification looks familiar: Artists and other young folks move into a historically African-American and now largely Hispanic neighborhood and, along with the inevitable house flippers and new condominium owners, change the face of an area.

But just below the surface lies an unusual development story, one that seeks to preserve Austin's honky-tonk culture.

While much of the rest of the nation is facing a weakened market, East Austin is in the midst of a boom so explosive that median home prices have jumped 48 percent in the last year. New condo projects, a dozen of which are now in the works, routinely sell out during the preconstruction phase. Still, developers are courting young buyers with reasonably priced homes rather than going the luxury-housing route. And another trend worth noting: the city itself is trying to temper the socioeconomic effects of gentrification.

"Austin is unique in that we really care about this issue, and may be trying to address it earlier than other cities," said Paul Hilgers, director of Neighborhood Housing and Community Development for Austin. "We are trying to do something about it. We can't stop gentrification, but we have an opportunity to try to mitigate it."

Measures that both the city and local organizers are taking include creating more affordable-housing complexes (one opened a year ago and at least two are being developed), revitalizing commercial districts, and exploring more progressive options, like the creation of community land trusts.

"I don't want people who have lived here their whole lives to feel like, 'Hey, outsider, you're causing me to lose my home,'" said Mr. McColgin, who, as a young white artist, is aware of his part in changing the face of the neighborhood. "I think everybody has been pretty conscious about that — self-conscious, actually — because you don't want to be seen as an invader. I like it here, and I don't want it to change."

He is not alone in cherishing the culture of East Austin, whose greater area covers about 20 square miles just east of Interstate 35. It is a border that separates the area both physically and mentally from bustling downtown Austin.

But the highway takes just seconds to cross — by car, by using the city's free shuttle service, or in the future by taking a light-rail system that is set to open by 2008. It is this proximity to the city's heart, coupled with the fact that real estate is about half of what it costs downtown, that makes East Austin a hot market in Travis County.

"Also, it has the scruffiness factor, the 'hip' factor," said Ryan Robinson, the city's demographer.

Indeed, proud old homes mingle with dilapidated drug dens and obscure taverns, and a hodgepodge of barbecue shacks, taquerías and shops with colorful murals give way to fallow industrial tracts, the grand Texas State Cemetery and the bucolic Town Lake at the southern border. At an old appliance shop on East Cesar Chavez Street, there are free-roaming roosters.

"Now the danger is we don't want the development to be so intense that we push this local, edgy, organic stuff out of the way," Mr. Robinson said.

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(Page 2 of 2)

From 2000 to 2005, he noted, single-family property values in East Austin doubled. The current median value, according to the Austin Board of Realtors, stands at \$135,500, up from \$91,500 one year ago.

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Mark Graham for The New York Times

Perry Lorenz stands in front of condos he developed.

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“It’s been historically undervalued and now a couple of big pieces have fallen into place,” said Mr. Robinson, referring to a lowered crime rate and the environmental cleanup of some long-tainted industrial zones.

Single-family homes in East Austin are typically two- or three-bedroom bungalows built in the 1920s through 1950s; many are sold as fixer-uppers or tear-downs. There are also some new tract houses mixed in — like that of Ms. Glidden, which she bought for \$135,000. Now it is not unusual to see renovated properties hitting the market at \$250,000, said John Rosshirt, chairman of the Austin Board of Realtors, who is a co-owner of the real estate company Stanberry & Associates.

Then there are the for-sale-by-owner properties, which enter the market through entrepreneurs like Dan Morris, a former volunteer coordinator at the Humane Society. He was drawn by the area’s first condo project, the 2004 Pedernales Lofts, and bought a unit for \$105,000, but felt isolated from the neighborhood on its gated property. He sold it for \$139,000 after six months, bought a renovated house around the corner, and started buying, rebuilding and selling other old homes. The latest, not yet complete, has a \$298,000 price tag.

The Pedernales Lofts, though, have plenty of fans. “I had

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Mark Graham for The New York Times

Not everyone likes gentrification.

reservation agreements for all 105 units within two months of advertising,” said Perry Lorenz of Constructive Ventures. He and Larry Warshaw, his development partner, sold each one, from \$100,000 to \$180,000, by the time construction was completed.

The pair went on to build and sell out the Saltillo Lofts; their TwentyOne24 project, which is under construction, is almost sold out. Last month, they announced a fourth project, Este, where units will sell for \$190,000 to \$280,000.

“Even though these units aren’t cheap, they are affordable, relative to downtown,” Mr. Robinson said. “East Austin is giving young couples the opportunity to buy a place in the urban core. But it’s

also giving opportunity to developers.”

Mr. Lorenz, who along with other area developers has drawn criticism from some local community groups, said he developed only long-unused tracts. “I have never knocked down a single-family home — never,” he said. “We will respond to this market, but do it on what have, until now, been underutilized sites.”

The latest projects, from various developers, include Robertson Hill, a mixed-use project where 120 condo units and 290 rental apartments will overlook the downtown skyline and the condos will be priced at \$180,000 to \$450,000. Then there is the Waterstreet Lofts, with 29 units priced from \$220,000 to \$325,000. Both are still under construction.

The steadily rising prices in Austin are causing concern. Higher property values mean higher taxes (which stand at about 2.5 percent per \$100 valuation). That is why keeping gentrification in check has become such a contentious issue here.

“It’s possible to have some kind of a balance if we really work for it,” said Susana Almanza, 54, a lifelong East Austin resident and director of People Organized in Defense of Earth and Her Resources, who fights for issues including low-income housing.

“I think there are two types of people who come in here: those who want to integrate themselves and get to know the culture, and then those who want to colonize,” she said. “I prefer the first.”

[« Previous Page 1 2](#)

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