

SEPTEMBER 2022

HOUSTON REAL ESTATE MARKET UPDATE

**ACTIVE LISTINGS AND INVENTORY RISE BUT REMAIN TIGHT, AS HOUSTON MSA
REAL ESTATE ACTIVITY REFLECTS THAT OF PRE-PANDEMIC LEVELS.**

Increasing interest and mortgage rates continue to lead to a cooling market as we head into Q4.

The Houston Housing Market:

New Home Sales - John Burns Real Estate Consulting (JBREC) reported that sales of new single-family housing (measured in a trailing 12 months) in the Houston area saw no change year-over-year in July 2022.

JBREC also reports the July 2022 median price - the figure at which half of the homes sold for more and half sold for less - for new single-family homes was \$314,300, up 6.1% year-over-year.

Existing Home Sales - According to the latest monthly report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales for August 2022 decreased 16.9% to 8,241 sales from 9,918 sales a year prior.

The average price of an existing single-family home rose 8.7% to \$411,671 in August 2022, and the median price jumped 10.8% to \$341,950.

The total active listings of single-family homes in the Houston area increased by 31.1% to 34,458 active listings in August 2022. Single-family home inventory increased by 0.8 months year-over-year from 1.7 months in August 2021 to 2.5 months in August 2022. This is the highest months' supply Houston has seen in two years, but is still well below 6.0 to 6.5 months of supply necessary for a balanced market.

Pending single-family home sales dipped by 11.0% year-over-year to be 8,520 pending sales in August 2022.

Homes priced between \$500K and \$1M saw the only increase in sales for August 2022, registering a 10.0% year-over-year gain. The sector with the lowest decrease

in sales was the \$250,000-\$500,000 sector, having a decrease of 10.6% year-over-year.

HAR Chair Jennifer Wauhob with Better Homes and Gardens Real Estate Gary Greene stated that "...we are easing our way back to the housing market that existed prior to the pandemic...it's important to note that transactions are still happening, just not at a whirlwind pace or record pricing levels, and that is perfectly healthy."

The Houston and Texas Economy:

In August 2022 the seasonally adjusted Houston unemployment rate was 4.1%, a 0.1% increase from July 2022.

According to the [Texas Workforce Commission](#), Texas added 16,400 total non-agricultural jobs over the month. For the tenth consecutive month, Texas reached another record employment level with non-farm jobs reaching 13,530,100. Since August 2021, Texas has added a total of 726,900 positions.

"Private industry jobs are up more than 6.0% percent from this time last year, and Texas employers continue to expand their workforces," said TWC Chairman Bryan Daniel. "TWC will continue to support both employers and job seekers with programs aimed at training Texans for high-wage, high-demand careers."

NEW HOME SALES	JULY 2021	JULY 2022	CHANGE
NEW HOME SALES (TTM)	42,554	42,609	0.0%
NEW HOME MEDIAN SALES PRICE	\$296,200	\$314,300	6.1%
EXISTING HOME SALES	AUGUST 2021	AUGUST 2022	CHANGE
TOTAL ACTIVE LISTINGS	26,290	34,458	30.0%
SINGLE-FAMILY HOME SALES	9,918	8,241	-16.9%
SINGLE-FAMILY AVG. SALES PRICE	\$378,685	\$411,671	8.7%
SINGLE-FAMILY MEDIAN SALES PRICE	\$308,500	\$341,950	10.8%
SINGLE-FAMILY MONTHS INVENTORY*	1.7 months	2.5 months	0.8 months
SINGLE-FAMILY PENDING SALES	9,568	8,520	-11.0%

*Months inventory estimates the number of months it will take to deplete current active inventory based on the prior 12 months sales activity.