

NOVEMBER 2022

HOUSTON REAL ESTATE MARKET UPDATE

OCTOBER HOMES SALES IN THE HOUSTON MSA COOLED AS INCREASED MORTGAGE RATES PLATEAU. HOME PRICES CONTINUE TO RISE DUE TO PERSISTENTLY TIGHT SUPPLY.

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 decreased by 1.0% year-over-year in September 2022 from 42,725 sales to 42,147 sales.

JBREC also reports the September 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 \$346,100, **up 14.5%** year-over-year. Limited supply continues to push prices upward.

Existing Home Sales – According to the latest monthly report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales for October 2022 decreased 22.8% to 6,641 sales from 8,597 sales a year prior as Houston's market trails 2021's record-setting volume by 6.7%.

The average price of an existing single-family home rose 7.2% to \$403,712 in October 2022, and the median price **increased 8.4%** to \$330,500.

The total active listings of single-family homes in the Houston area increased to 36,751 active listings in October 2022. Single-family home inventory increased from 1.8 months of supply in October 2021 to 2.8 months in October 2022. This is the highest months' supply Houston has seen since July 2020, but is still well below 6.0 to 6.5 months of supply necessary for a balanced market.

Pending single-family home sales decreased 23.4% year-over-year to 6,666 pending sales in October 2022.

"The Houston housing market is heading towards more balanced conditions," said HAR Chair Jennifer Wauhob with Better Homes and Gardens Real Estate Gary Greene. "We saw years of unprecedented growth, and it appears the market is finally nearing pre-pandemic levels. Higher mortgage rates are softening buyer demand. But as prices level off and inventory grows, we're going to see more consumers move from the sidelines to the marketplace."

The Houston and Texas Economy:

In October 2022 the seasonally adjusted Houston unemployment rate was 4.0%, a 0.1% increase from August 2022.

According to the [Texas Workforce Commission](#), Texas added 49,500 total non-agricultural jobs over the month. For the twelfth consecutive month, Texas reached another record employment level with non-farm jobs reaching 13,630,000. Since October 2021, Texas has added a total of 694,200 positions.

"Texas' continued job growth is a true testament to the vitality of our Texas employers and our unrivaled business climate," said TWC Commissioner Representing Employers Aaron Demerson. "TWC remains committed to supporting our Texas employers by connecting them to our world-class Texas talent pipeline, offering unparalleled access to training resources, and ensuring they have the proper tools to thrive."

NEW HOME SALES	SEPTEMBER 2021	SEPTEMBER 2022	CHANGE
NEW HOME SALES (TTM)	42,725	42,147	-1.0%
NEW HOME MEDIAN SALES PRICE	\$302,300	\$346,100	14.5%
EXISTING HOME SALES	OCTOBER 2021	OCTOBER 2022	CHANGE
TOTAL ACTIVE LISTINGS	25,694	36,751	43.0%
SINGLE-FAMILY HOME SALES	8,597	6,641	-22.8%
SINGLE-FAMILY AVG. SALES PRICE	\$376,612	\$403,712	7.2%
SINGLE-FAMILY MEDIAN SALES PRICE	\$305,000	\$330,500	8.4%
SINGLE-FAMILY MONTHS INVENTORY*	1.8 months	2.8 months	1.0 month
SINGLE-FAMILY PENDING SALES	8,700	6,666	-23.4%

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