

OCTOBER 2022

HOUSTON REAL ESTATE MARKET UPDATE

**HOUSTON'S REAL ESTATE MARKET SLOWS TO A PRE-PANDEMIC LANDSCAPE,
WHILE THE HIGH-END MARKET SEES CONTINUED GROWTH.**

Tight inventory along with rising interest rates push Houston single-family home sales volume downward while prices continue to increase.

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 August 2022.

JBREC also reports the August 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 \$328,300, up 11.9% 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 September 2022 decreased 17.0% to 7,664 sales from 9,235 sales a year prior as increased rates and higher prices have priced out lower-end buyers.

The average price of an existing single-family home rose 11.6% to \$414,776 in September 2022, and the median price jumped 14.7% to \$343,950.

The total active listings of single-family homes in the Houston area increased to 35,694 active listings in September 2022. Single-family home inventory increased from 1.7 months of supply in August 2021 to 2.7 months in September 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 15.5% year-over-year to be 7,324 pending sales in September 2022.

Homes priced between \$500K and \$1M saw the highest increase in sales for September 2022, registering a 12.6% year-over-year gain.

"The Houston housing market consists of many concurrent trends," said HAR Chair Jennifer Wauhob with Better Homes and Gardens Real Estate Gary Greene. "The high end of the market continues to perform well, as is the rental market. But because of a lack of homes priced below \$400,000, the market as a whole is slowing to levels we were accustomed to before the pandemic. The most encouraging news of all is the gradual build-back of inventory, which should yield more options for consumers going forward."

The Houston and Texas Economy:

In September 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 40,000 total non-agricultural jobs over the month. For the eleventh consecutive month, Texas reached another record employment level with non-farm jobs reaching 13,571,800. Since September 2021, Texas has added a total of 721,800 positions.

"Texas' total nonfarm job annual growth rate has outpaced the United States for the last 15 months, demonstrating one of the key factors that make Texas the top choice for employers and their workforce," said TWC Chairman Bryan Daniel. "With more than half a million job ads posted right now in Texas, TWC remains dedicated to ensuring job seekers have the skills employers need to fill those positions."

Lastly, per the [Greater Houston Partnership](#), Houston should end 2022 with a net gain of 130,000+ jobs. A bright prospect indeed as we head towards the end of the year.

NEW HOME SALES	AUGUST 2021	AUGUST 2022	CHANGE
NEW HOME SALES (TTM)	43,026	42,665	-1.0%
NEW HOME MEDIAN SALES PRICE	\$293,500	\$328,300	11.9%
EXISTING HOME SALES	SEPTEMBER 2021	SEPTEMBER 2022	CHANGE
TOTAL ACTIVE LISTINGS	26,197	35,694	36.3%
SINGLE-FAMILY HOME SALES	9,235	7,664	-17.0%
SINGLE-FAMILY AVG. SALES PRICE	\$371,689	\$414,776	11.6%
SINGLE-FAMILY MEDIAN SALES PRICE	\$300,000	\$343,950	14.7%
SINGLE-FAMILY MONTHS INVENTORY*	1.7 months	2.7 months	1.0 month
SINGLE-FAMILY PENDING SALES	8,669	7,324	-15.5%

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