

**JANUARY 2023**

## **HOUSTON REAL ESTATE MARKET UPDATE**

HOUSTON JOB COUNT CONTINUES STRONG GROWTH. EXISTING HOME SALES DOWN AS HIGH MEDIAN PRICING AND TIGHT INVENTORY CREATES AFFORDABILITY HEADWINDS. NEW HOME SALES REMAIN NEAR 2021'S RECORD PACE AS HOMEBUILDERS ADJUST TO HIGHER INTEREST RATES.

### **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 3.0% year-over-year in November 2022 from 42,728 sales to 41,466 sales.

JBREC also reports the November 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 \$334,400, up 9.1% 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 December 2022 decreased 32.6% to 6,378 sales from 9,467 sales.

The average price of an existing single-family home rose 5.1% to \$409,777 in December 2022, and the median price increased 3.8% to \$330,000 as inventory remains scarce.

The total active listings of single-family homes in the Houston area increased to 33,776 active listings in December 2022. Single-family home inventory increased from 1.4 months of supply in December 2021 to 2.7 months in December 2022, which is still well below for a balanced market.

Pending single-family home sales decreased 19.6% year-over-year to 5,493 pending sales in December 2022.

“While disappointing, it was no surprise that 2022 ended the way it did given the economic forces that affected the market during the latter half of the year, most notably inflation, mortgage rates and persistently low inventory,” said HAR Chair Cathy Treviño with Side, Inc. “We have been in uncharted territory since the pandemic, but have generally held strong, and I anticipate the market returning to healthier levels later this year, especially with inventory levels improving, mortgage rates easing and prices moderating.”

### **The Houston and Texas Economy:**

**In December 2022** the seasonally adjusted Houston unemployment rate was 3.9%, a 0.9% decrease from December 2021.

According to the [Texas Workforce Commission](#), Texas added 29,500 total non-agricultural jobs over the month. For the fourteenth consecutive month, Texas reached another record employment level with non-farm jobs reaching 13,705,500. Texas added more than 650,000 jobs annually.

“With more than 650,000 jobs added in the past year, career opportunities for Texans continue to grow,” said TWC Commissioner Representing Labor Albert Treviño. “TWC is here to support our state’s growing workforce, and ensure Texas is the best place to live and work.”

<b>NEW HOME SALES</b>	<b>NOVEMBER 2021</b>	<b>NOVEMBER 2022</b>	<b>CHANGE</b>
NEW HOME SALES (TTM)	42,728	41,466	-3.0%
NEW HOME MEDIAN SALES PRICE	\$306,600	\$334,400	9.1%
<b>EXISTING HOME SALES</b>	<b>DECEMBER 2021</b>	<b>DECEMBER 2022</b>	<b>CHANGE</b>
TOTAL ACTIVE LISTINGS	21,759	33,776	55.2%
SINGLE-FAMILY HOME SALES	9,467	6,378	-32.6%
SINGLE-FAMILY AVG. SALES PRICE	\$390,073	\$409,777	5.1%
SINGLE-FAMILY MEDIAN SALES PRICE	\$317,791	\$330,000	3.8%
SINGLE-FAMILY MONTHS INVENTORY*	1.4 months	2.7 months	1.3 months
SINGLE-FAMILY PENDING SALES	6,834	5,493	-19.6%

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