

APRIL 2023

## HOUSTON REAL ESTATE MARKET UPDATE

THE HOUSTON MARKET FARES WELL TRANSITIONING OUT OF Q2, TRACKING AHEAD OF A PRE-PANDEMIC 2019 BUT BEHIND 2022.

### 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 9.0% year-over-year in February 2023 from 43,146 sales to 39,288 sales. However, when comparing February 2023 sales volume to a pre-pandemic February 2019 market, where sales totaled 29,958, current sales show an increase of 31.1%

JBREC also reports the February 2023 median price - the figure at which half of the homes sold for more and half sold for less - for new single-family homes was \$303,400, down 4.0% year-over-year. Homebuilders have adjusted to increased interest rates (and the decreased buying power by homeowners) by increasing the number of smaller homes sold in order to achieve lower, more affordable pricing.

**Existing Home Sales** - According to the April report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales in March 2023 decreased 18.3% year-over-year to 7,907 sales. However, when comparing this number to March of 2019, when sales volume totaled 6,995 units - sales have increased 13.0%

The average price of an existing single-family home decreased 0.3% to \$408,647 in March 2023, and the median price dropped 3.0% to \$325,000.

The total active listings of single-family homes in the Houston area increased 69.2% to 33,442 active listings in March 2023. Single-family home inventory increased from 1.1 months of supply in March 2022 to 2.7 months in

March 2023, as inventory grows but remains below the balanced market supply of 6.0-6.5 months.

Pending single-family home sales decreased 5.2% year-over-year to 9,043 pending sales in March 2023.

“Houston real estate is continuing to work its way back to normalcy with more new listings hitting the market and prices easing,” said HAR Chair Cathy Treviño with Side, Inc. “Inflation and interest rates are still causing angst, but once consumer confidence is finally restored, we will see home sales pick up and probably return to the seasonal cycles that prevailed before the pandemic.”

### The Houston and Texas Economy:

According to the [Texas Workforce Commission](#), Texas reached 13,831,900 total non-farm jobs in February 2023, adding 58,200 positions over the month. Texas' seasonally adjusted unemployment rate increased by 0.1 percentage points to 4.0 percent. However, the civilian labor force increased by 64,800 people which marked the largest monthly increase since September 2020.

“The extraordinary job growth we've seen over the past year shows Texas is booming and continues to be the best state for business,” said TWC Commissioner Representing Employers Aaron Demerson.

<b>NEW HOME SALES</b>	<b>FEBRUARY 2022</b>	<b>FEBRUARY 2023</b>	<b>CHANGE</b>
NEW HOME SALES (TTM)	43,146	39,288	-9.0%
NEW HOME MEDIAN SALES PRICE	\$316,100	\$303,400	-4.0%
<b>EXISTING HOME SALES</b>	<b>MARCH 2022</b>	<b>MARCH 2023</b>	<b>CHANGE</b>
TOTAL ACTIVE LISTINGS	19,766	33,442	69.2%
SINGLE-FAMILY HOME SALES	9,681	7,907	-18.3%
SINGLE-FAMILY AVG. SALES PRICE	\$409,782	\$408,647	-0.3%
SINGLE-FAMILY MEDIAN SALES PRICE	\$334,900	\$325,000	-3.0%
SINGLE-FAMILY MONTHS INVENTORY*	1.1 months	2.7 months	1.6 months
SINGLE-FAMILY PENDING SALES	9,541	9,043	-5.2%

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