

## **HOUSTON REAL ESTATE MARKET UPDATE**

HOUSTON MSA SEES A 'NORMAL' SLOWER JANUARY FOLLOWING THE HOLIDAY SEASON. HIGH INTEREST RATES CONTINUALLY AFFECT HOME SALES, THOUGH AN INCREASE IN NEW LISTINGS AND PRICING NORMALIZATION BODE WELL FOR HOME BUYERS IN 2023.

### **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 5.0% year-over-year in December 2022 from 42,721 sales to 40,681 sales.

JBREC also reports the December 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 \$329,100, up 5.7% 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 January 2023 decreased 29.9% to 4,549 sales from 6,492 sales.

The average price of an existing single-family home rose 1.5% to \$381,983 in January 2023, and the median price increased 1.6% to \$315,000.

The total active listings of single-family homes in the Houston area increased 63.4 to 33,606 active listings in January 2023. Single-family home inventory increased from 1.3 months of supply in January 2022 to 2.7 months in January 2023, as inventory continues to remain scarce.

Pending single-family home sales decreased 14.9% year-over-year to 7,167 pending sales in January 2023.

"January was a continuation of the slowdown that began last year with an onslaught of challenging economic conditions," said HAR Chair Cathy Treviño with Side, Inc. "I think what's happening now reflects more of a return to seasonal home sales trending - slower volume during the holidays and new year - than a market in distress. Certainly consumers want assurances that inflation is subsiding, so if mortgage rates stabilize and homes continue hitting the market at more affordable price points, we could expect an upswing in sales later this year."

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

According to the [Texas Workforce Commission](#), Texas ranked first in the nation in year-over-year jobs added across the state. In 2022, this number totaled **650,100 jobs** added.

"Texas continues to demonstrate it is an economic powerhouse with a world-class workforce and employers leading the nation in job growth," said TWC Chairman Bryan Daniel. "These rankings follow 14 consecutive months of record-setting employment in Texas."

<b>NEW HOME SALES</b>	<b>DECEMBER 2021</b>	<b>DECEMBER 2022</b>	<b>CHANGE</b>
NEW HOME SALES (TTM)	42,721	40,681	-5.0%
NEW HOME MEDIAN SALES PRICE	\$311,300	\$329,100	5.7%
<b>EXISTING HOME SALES</b>	<b>JANUARY 2022</b>	<b>JANUARY 2023</b>	<b>CHANGE</b>
TOTAL ACTIVE LISTINGS	20,562	33,606	63.4%
SINGLE-FAMILY HOME SALES	6,492	4,549	-29.9%
SINGLE-FAMILY AVG. SALES PRICE	\$376,359	\$381,983	1.5%
SINGLE-FAMILY MEDIAN SALES PRICE	\$309,900	\$315,000	1.6%
SINGLE-FAMILY MONTHS INVENTORY*	1.3 months	2.7 months	1.4 months
SINGLE-FAMILY PENDING SALES	8,421	7,167	-14.9%

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