

HOUSTON REAL ESTATE MARKET UPDATE

IN COMPARISON TO A PRE-PANDEMIC FEBRUARY, THE HOUSTON REAL ESTATE MARKET CONTINUES TO SHOW STRENGTH DUE TO STRONG ECONOMIC TAILWINDS. WHILE STILL VERY TIGHT, GROWING INVENTORY AND LEVELING PRICES MAKE WAY FOR A SUCCESSFUL SPRING HOME BUYING MARKET.

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 7.0% year-over-year in January 2023 from 42,831 sales to 39,803 sales.

JBREC also reports the January 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 \$300,900, down 3.3% year-over-year. Homebuilders use a combination of smaller home sizes and buyer discounts to achieve lower nominal pricing to maintain affordability for buyers.

Existing Home Sales - According to the March report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales in February 2023 decreased 23.0% to 5,723 sales from 7,430 sales in February 2022.

The average price of an existing single-family home decreased 2.4% to \$385,103 in February 2023, and the median price dropped 1.6% to \$320,000.

The total active listings of single-family homes in the Houston area increased 69.2% to 33,109 active listings in February 2023. Single-family home inventory increased from 1.2 months of supply in February 2022 to 2.6 months in February 2023, as inventory steadily grows.

Pending single-family home sales decreased 11.0% year-over-year to 7,546 pending sales in February 2023.

“For a true apples-to-apples comparison of the Houston housing market, you have to examine where we were before the pandemic, in 2019, and by that standard, we are in similar territory,” said HAR Chair Cathy Treviño with Side, Inc. “The traditional year-over-year comparison shows a market slowdown, but even then, there are positive trends in the form of moderating prices and growing inventory that bode well for spring home buying.”

The Houston and Texas Economy:

According to the [Texas Workforce Commission](#), Texas reached 13,782,300 total non-farm jobs in January 2023, adding 48,600 positions over the month. Based on a revision to the December 2022 report, this marks the 16th consecutive record employment high for the state.

“The continued growth in our Texas labor market serves as a testament to the resilience and innovation of our Texas employers,” said TWC Commissioner Representing Employers Aaron Demerson.

NEW HOME SALES	JANUARY 2022	JANUARY 2023	CHANGE
NEW HOME SALES (TTM)	42,831	39,803	-7.0%
NEW HOME MEDIAN SALES PRICE	\$311,300	\$300,900	-3.3%
EXISTING HOME SALES	FEBRUARY 2022	FEBRUARY 2023	CHANGE
TOTAL ACTIVE LISTINGS	19,564	33,109	69.2%
SINGLE-FAMILY HOME SALES	7,430	5,723	-23.0%
SINGLE-FAMILY AVG. SALES PRICE	\$394,503	\$385,103	-2.4%
SINGLE-FAMILY MEDIAN SALES PRICE	\$325,048	\$320,000	-1.6%
SINGLE-FAMILY MONTHS INVENTORY*	1.2 months	2.6 months	1.4 months
SINGLE-FAMILY PENDING SALES	8,475	7,546	-11.0%

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