

JULY 2023

HOUSTON REAL ESTATE MARKET UPDATE

INCREASING INVENTORY AND PRICE LEVELING MAKE FOR A STEADY JUNE MARKETPLACE IN THE HOUSTON MSA.

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 21.0% year-over-year in May 2023 from 42,787 sales to 35,948, as sales reflect that of a pre-pandemic market.

JBREC also reports the May 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 \$297,600, down 4.9% year-over-year.

Despite negative indicators heading into this year, the market has performed much better than expected, according to JBREC. As we enter the halfway point of 2023, the new home market continues to thrive.

Home builders and home buyers have also smoothly navigated the mortgage rate environment in the face of a significant rise in rates. Mortgage rate buy downs combined with an increase in available inventory are attractive to new home buyers, and thus drawing more buyers to the market. Lastly, home builders are staying alert, and continuing to aid the void in supply by adding homes and communities to the new home market.

Existing Home Sales - According to the July report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales in June 2023 decreased 12.8% to 8,582 sales from 9,845 sales in June 2022.

The average price of an existing single-family home decreased 0.5% to \$431,092 in June 2023, and the median price dropped 2.5% to \$345,000.

The total active listings of single-family homes in the Houston area increased 28.2% to 36,431 active listings in June 2023. Single-family home inventory increased from 1.9 months of supply in June 2022 to 3.1 months in June 2023, as inventory steadily grows.

Pending single-family home sales decreased 4.8% year-over-year to 8,634 pending sales in June 2023.

"We are seeing improvement after more than a year of negative home sales due largely to rising interest rates and inflation/recession jitters among consumers," said HAR Chair Cathy Treviño with Side, Inc.

The Houston and Texas Economy:

According to the [Texas Workforce Commission](#), Texas reached 13,944,600 total non-farm jobs in June 2023, adding 31,000 positions over the month. June 2023 marks the 28th consecutive month of total non-farm employment growth.

"More than 350,000 people have joined the Texas workforce since June 2022, making the Lone Star State a national leader as the best place to work and to live," said TWC Chairman Bryan Daniel. "As a resource for this growing job market, TWC is committed to provide a range of services for employers and job seekers alike."

NEW HOME SALES	MAY 2022	MAY 2023	CHANGE
NEW HOME SALES (TTM)	42,787	33,948	-21.0%
NEW HOME MEDIAN SALES PRICE	\$313,000	\$297,600	-4.9%
EXISTING HOME SALES	JUNE 2022	JUNE 2023	CHANGE
TOTAL ACTIVE LISTINGS	28,409	36,431	28.2%
SINGLE-FAMILY HOME SALES	9,845	8,582	-12.8%
SINGLE-FAMILY AVG. SALES PRICE	\$433,176	\$431,092	-0.5%
SINGLE-FAMILY MEDIAN SALES PRICE	\$354,000	\$345,000	-2.5%
SINGLE-FAMILY MONTHS INVENTORY*	1.9 months	3.1 months	1.2 months
SINGLE-FAMILY PENDING SALES	8,240	8,634	-4.8%

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