

SEPTEMBER 2023

AUSTIN REAL ESTATE MARKET UPDATE

AUSTIN MSA INVENTORY AND PRICING INCREASES PROVE
BUYER CONFIDENCE AS THE FALL MARKET ARRIVES.

The Austin – Round Rock Housing Market:

New Home Sales – John Burns Real Estate Consulting Group reported that sales of new single-family housing **increased 2.0%** year-over-year to 20,239 closings in July 2023 as inventory and new home market sales continue to grow in the Austin MSA.

New Home Sales Price – With the smaller average size of new homes and builder incentives, the median sales price of new houses sold in July 2023 was \$428,200, showing a decrease of 5.0% year-over-year.

Existing Single-Family Home Sales - The Austin Board of Realtors (ABOR) reports that existing single-family home sales volume **increased 1.4%** year-over-year to 2,939 home sales across the Austin MSA in August 2023. This marks the first increase in year-over-year sales for the Austin MSA since February 2022.

Existing Single-Family Home Price - In August 2023, the median sales price for existing single family homes declined 7.6% to \$460,000. On average, existing single-family homes spent 60 days on the market in August 2023, 28 more days when compared to August 2022.

The Austin MSA ended August 2023 with 3.8 months of housing inventory, up by 1 month year-over-year but still below the 6-6.5 months of supply necessary for a balanced market.

Higher interest rates and better new-home sales incentives have allowed existing home inventory to increase.

In the ABoR August 2023 update, ABoR Housing Economist Dr. Clare Losey stated: “In August, amidst an elevated interest rate environment, the rise in sales—both year-over-year and month-over-month—indicates that buyers are purchasing homes because it is a good investment. However, there is still an inadequate supply of homes in the region, especially affordable housing options. Higher mortgage rates have led potential sellers to wait longer before entering the market, further constraining the supply of homes for sale.”

The Texas Economy:

In August 2023 the unemployment rate in the Austin-Round Rock MSA was 3.9%, an increase year-over-year by 1.0%.

According to the Texas Workforce Commission, Austin’s non-farm payroll job total as of August 2023 was 1,317,800, a 2.4% increase from August 2022. In August 2023, the Mining, Logging, and Construction sector led the way with a 6.7% increase year-over-year, followed by Leisure and Hospitality with a 5.3% increase.

	AUSTIN	SAN ANTONIO	DFW
NEW HOME TOTAL SALES (JULY 2023)	20,239 (2.0% > 2022)	17,732 (6.0% > 2022)	33,092 (2.0% < 2022)
NEW HOME MEDIAN SALES PRICE (JULY 2023)	\$428,200 (5.0% < 2022)	\$321,100 (4.8% < 2022)	\$427,000 (0.8% < 2022)
EXISTING HOME TOTAL SALES (AUGUST 2023)	2,939 (1.4% > 2022)	3,168 (4.0% < 2022)	8,056 (8.2% < 2022)
EXISTING HOME SINGLE-FAMILY MEDIAN SALES PRICE (AUGUST 2023)	\$460,000 (7.6% < 2022)	\$322,250 (1.0% < 2022)	\$405,000 (1.2% < 2022)
EXISTING HOME SINGLE-FAMILY MONTHS INVENTORY (AUGUST 2023)	3.8 MONTHS	3.9 MONTHS	2.7 MONTHS