

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.

SAN ANTONIO REAL ESTATE MARKET UPDATE

THE SAN ANTONIO MSA NEW HOME MARKETPLACE SHOWS RESILIENCE
DESPITE RISING INTEREST RATES AND ENSUING ECONOMIC FACTORS.

The San Antonio Housing Market:

New Home Sales - John Burns Real Estate Consulting Group (JBREC) reported that sales of new single-family housing **increased 6.0%** year-over-year to 17,732 sales in July 2023.

New Home Sales Price - The median sales price of new houses sold in July 2023 was \$321,100, a decrease of 4.8% year-over-year due to the smaller average size of new homes and builder incentives.

Existing Single-Family Home Sales - The San Antonio Board of Realtors (SABoR) reports that existing single-family home sales in the San Antonio MSA totaled 3,168 homes in August 2023, **a decrease of 4.0% year-over-year.**

Existing Single-Family Home Price - The average price for existing single-family homes in the San Antonio MSA saw no change year-over-year at \$387,844, while the median price declined 1.0% to \$322,250 in August 2023. August inventory came in at 3.9 months.

Sara Briseño Gerrish, SABOR's 2023 Chair of the Board, states "The market continues to favor sellers, with 3.9 months of inventory, suggesting a competitive environment for buyers. While the year-over-year decrease in total sales and increased days on the market suggest a market in transition, the stability in average and median prices indicates a balanced environment that continues to provide opportunities for real estate investors and homeowners alike."

The Texas Economy:

The unemployment rate in the San Antonio MSA increased 0.6% year-over-year to 4.3% in August 2023. According to the Texas Workforce Commission (TWC), San Antonio's non-farm payroll jobs totaled 1,154,900 in August 2023.

The Texas Workforce Commission reported that sectors posting the highest year-over-year gains in August 2023 were Government with a 4.9% increase, followed by Leisure and Hospitality with a 3.8% increase.

DALLAS - FORT WORTH REAL ESTATE MARKET UPDATE

BOTH NEW AND EXISTING HOME SALES AND PRICING LEVEL IN THE DFW MSA HEADING INTO THE FALL .

The DFW-Arlington Housing Market:

New Home Sales - John Burns Real Estate Consulting Group (JBREC) reported that sales of new single-family housing **decreased 2.0%** year-over-year to be 33,092 in July 2023.

New Home Sales Price - The median sales price of new houses sold in July 2023 was \$427,000, a decrease of 0.8% year-over-year.

Existing Single-Family Home Sales - The Texas A&M Texas Real Estate Research Center reports that existing single-family home sales volume **decreased 8.2%** year-over-year from 8,778 to 8,056 transactions in August 2023. Dollar volume decreased from \$4.36 billion to \$4.13 billion.

Existing Single-Family Home Price - The average price of an existing single-family home in the DFW MSA **increased 3.0%** year-over-year from \$497,195 to \$512,210 in August 2023. The average price per square foot instead declined from \$211.14 to \$209.88.

The median price for existing single-family homes **decreased 1.2%** year-over-year from \$410,000 to \$405,000 in August 2023. The median price per square foot also decreased from \$200.45 to \$197.89. Inventory of single-family homes rose from 2.3 to 2.7 months supply, but it is still below a balanced market's inventory of 6-6.5 months.

The Texas A&M Texas Real Estate Research Center reported that Texas' total number of active listings rose 2.3 percent in August 2023, reaching just above 85,000 listings. All four of the major metros posted positive monthly gains with Dallas accounting for the largest gain at 5.7 percent MOM. More specifically, Dallas posted a 5.6% year-over-year increase in active listings to be 19,591 in August 2023.

The DFW-Arlington Economy:

According to the latest figures published by the Texas Workforce Commission, the total number of non-farm jobs for the Dallas - Fort Worth - Arlington MSA was 4,279,500 in August 2023. This marks a 3.8% year-over-year increase compared to August 2022.

The unemployment rate in the DFW MSA increased 0.6% in August 2023 to be 4.2%.

The Other Services sector saw the largest year-over-year gain at 12.3%, and the Mining, Logging, and Construction sector came in second with a 8.4% 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