

OCTOBER 2023

AUSTIN REAL ESTATE MARKET UPDATE

AUSTIN MSA HOUSING INVENTORY REACHES ITS HIGHEST LEVEL IN OVER EIGHT YEARS WHILE SALES BEGIN THEIR SEASONAL DOWNTURN.

The Austin - Round Rock Housing Market:

New Home Sales - John Burns Real Estate Consulting Group reported that sales of new single-family housing decreased 2.0% year-over-year to 19,749 closings in August 2023.

New Home Sales Price - The smaller average size of new homes and builder incentives continue to influence the median sales price, which was \$427,900 in August 2023 for new homes, showing a decrease of 5.5% year-over-year.

Existing Single-Family Home Sales - The Austin Board of Realtors (ABoR) reports that existing single-family home sales volume decreased 5.5% year-over-year to 2,387 home sales across the Austin MSA in September 2023.

Existing Single-Family Home Price - In September 2023, the median sales price for existing single family homes declined 4.3% to \$452,080. "We have certainly seen a slowing down in our market due to the changes in the interest rate, which as you know have hit multi-decade highs," said Ashley Jackson, Austin Board of Realtors president. "The interest rate increase has tempered demand, so what we've seen is kind of an easing of demand which has allowed (SFH) inventory to slowly increase." The median cost of a home dropped just 4 percent -- a sign that even in this market, **there's still not enough housing to go around.**"

On average, existing single-family homes spent 65 days on the market in September 2023, 24 more days when compared to September 2022.

"The demand pressure on Austin has been very high, about as high and as fast as the increase gets anywhere in the U.S.," said Jake Wegmann, an Associate Professor at UT Austin, whose research centers around housing affordability. "The quick answer is just that our region has experienced enormous job and population and income all three of those things since 2015."

The Austin MSA ended September 2023 with 4.0 months of housing inventory, up by 1.4 months year-over-year but still below the 6-6.5 months of supply necessary for a balanced market.

The Texas Economy:

In September 2023 the unemployment rate in the Austin-Round Rock MSA was 3.6%, an increase year-over-year by 0.8%.

According to the Texas Workforce Commission, Austin's non-farm payroll job total as of September 2023 was 1,332,600, a 3.3% increase from September 2022. In September 2023, the Leisure and Hospitality sector led the way with a 7.0% increase year-over-year, followed by Mining, Logging, and Construction with a 6.6% increase.

	AUSTIN	SAN ANTONIO	DFW
NEW HOME TOTAL SALES (AUGUST 2023)	19,749 (2.0% < 2022)	17,809 (6.0% > 2022)	32,762 (4.0% < 2022)
NEW HOME MEDIAN SALES PRICE (AUGUST 2023)	\$427,900 (5.5% < 2022)	\$307,900 (9.1% < 2022)	\$430,700 (1.2% < 2022)
EXISTING HOME TOTAL SALES (SEPTEMBER 2023)	2,387 (18.2% < 2022)	2,744 (15.0% < 2022)	6,777 (13.4% < 2022)
EXISTING HOME SINGLE-FAMILY MEDIAN SALES PRICE (SEPTEMBER 2023)	\$452,080 (4.3% < 2022)	\$318,950 (2.0% < 2022)	\$400,000 (NO CHANGE)
EXISTING HOME SINGLE-FAMILY MONTHS INVENTORY (SEPTEMBER 2023)	4.0 MONTHS	4.3 MONTHS	2.8 MONTHS