

**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.

## **SAN ANTONIO REAL ESTATE MARKET UPDATE**

### **SAN ANTONIO'S NEW HOME MARKET SALES AND OVERALL INVENTORY POST INCREASES IN SEPTEMBER 2023.**

#### **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 17,809 sales in August 2023.

New Home Sales Price - The median sales price of new houses sold in August 2023 was \$307,900, a decrease of 9.1% 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 2,744 homes in September 2023, a decrease of 15.0% 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 \$385,210 while the median price declined 2.0% to \$318,950 in September 2023. September inventory came in at 4.3 months.

Sara Briseño Gerrish, SABOR's 2023 Chair of the Board, states "The month ended with 4.3 months of inventory available, indicating a balanced market that can be beneficial for both buyers and sellers. Properties spent an average of 64 days on the market, reflecting a 52% year-on-year increase, emphasizing the importance of positioning your property effectively in today's market."

#### **The Texas Economy:**

The unemployment rate in the San Antonio MSA increased 0.3% year-over-year to 3.8% in September 2023. According to the Texas Workforce Commission (TWC), San Antonio's non-farm payroll jobs totaled 1,292,781 in September 2023.

The Texas Workforce Commission reported that sectors posting the highest year-over-year gains in September 2023 were Government with a 5.9% increase, followed by Private Education and Health Services with a 5.5% increase.

## **DALLAS - FORT WORTH REAL ESTATE MARKET UPDATE**

THE DFW HOUSING MARKET SEES INCREASED INVENTORY AND STABILIZED PRICES MOVING INTO THE FINAL QUARTER OF 2023.

### **The DFW-Arlington Housing Market:**

New Home Sales - John Burns Real Estate Consulting Group (JBREC) reported that sales of new single-family housing decreased 4.0% year-over-year to be 32,762 in August 2023.

New Home Sales Price - The median sales price of new houses sold in August 2023 was \$430,000, a decrease of 1.2% 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 13.4% year-over-year from 7,829 to 6,777 transactions in September 2023. Dollar volume decreased from \$3.76 billion to \$3.38 billion.

Existing Single-Family Home Price - The average price of an existing single-family home in the DFW MSA increased 3.9% year-over-year from \$479,983 to \$498,856 in September 2023. The average price per square foot also rose from \$205.85 to \$208.85.

The median price for existing single-family homes saw no change year-over-year, and remained \$400,000 in September 2023. The median price per square foot decreased from \$198.22 to \$197.04. Inventory of single-family homes rose from 2.4 to 2.8 months supply, but it is still below a balanced market's inventory of 6-6.5 months.

Days on the market are now at 40 days in Fort Worth and 37 days in Tarrant County. The silver lining is that current market conditions are leading to pent up demand, which will likely send a flood of buyers and sellers into the market once mortgage rates start to decrease.

The Texas A&M Real Estate Research Center's Texas Housing Insight Report states that Texas' total number of active listings rose 5.2 percent in September 2023, reaching just above 90,000 listings. Traditionally in winter, buyer interest wanes and many sellers wait to list until closer to spring.

### **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 4,306,900 in September 2023. This marks a 4.3% year-over-year increase compared to September 2022.

The unemployment rate in the DFW MSA increased 0.5% in September 2023 to be 3.9%.

The Other Services sector saw the largest year-over-year gain at 11.4%, and the Mining, Logging, and Construction sector came in second with a 9.3% 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