



**CONNOR  
INVESTMENT**

REAL ESTATE

**NOVEMBER 2023**

## **HOUSTON REAL ESTATE MARKET UPDATE**

### **THE HOUSTON MSA REAL ESTATE MARKET APPROACHES YEAR-END WITH HEALTHY INDICATORS DESPITE SALES DECLINE.**

#### **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 17.0% year-over-year in September 2023 from 42,404 sales to 35,169 sales. This sales pace is still ~20% higher than pre-covid levels.

JBREC also reports the September 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 \$325,600, down 4.3% year-over-year.

Per the Texas A&M Real Estate Research Center's Texas Housing Insight Report, "Texas' total home sales held fairly steady at 27,175 transactions in September, a deviation of less than 1 percent from August." Despite this minor monthly change, the Texas housing market continually battles high mortgage rates, leaving only the most committed buyers in the picture. Texas' inventory continues to rise with September's active listings posting an increase of 5.2 percent, totaling 90,750 listings. Although supply has trended upward since February 2023, it "still needs to bridge a gap of more than 10 percent to catch up on the pre-pandemic level."

**Existing Home Sales** – According to the October report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales in October 2023 decreased 3.4% to 6,377 sales from 6,603 sales in October 2022.

The average price of an existing single-family home increased 0.4% to \$403,556 in October 2023, and the median price dropped 0.9% to \$327,000.

The total active listings of single-family homes in the Houston area increased 12.5% to 40,630 active listings in October 2023. Single-family home inventory increased from 2.8 months of supply in October 2022 to 3.6 months in October 2023. This is the largest months supply that the Houston MSA has held since November 2019 when it was also 3.6 months.

Pending single-family home sales increased 11.0% year-over-year to 6,669 pending sales in October 2023.

#### **The Houston and Texas Economy:**

Per the Greater Houston Partnership, Houston added 16,400 jobs in October and is on pace for 80,000 jobs for 2023. The overall Houston economy remains strong and has momentum heading into 2024.

According to the Texas Workforce Commission, Texas posted 14,048,200 total non-farm jobs in October 2023, losing 1,300 positions over the month.

"Despite a small decrease in payroll jobs, the Texas labor force grew by nearly 21,000 people in October, with no change in the unemployment rate," said TWC Chairman Bryan Daniel. "The Texas economy continues to grow, and there are nearly 480,000 job listings for individuals with the right skills, which TWC can help provide."

<b>NEW HOME SALES</b>	<b>SEPTEMBER 2022</b>	<b>SEPTEMBER 2023</b>	<b>CHANGE</b>
NEW HOME SALES (TTM)	42,404	35,169	-17.0%
NEW HOME MEDIAN SALES PRICE	\$340,400	\$325,600	-4.3%
<b>EXISTING HOME SALES</b>	<b>OCTOBER 2022</b>	<b>OCTOBER 2023</b>	<b>CHANGE</b>
TOTAL ACTIVE LISTINGS	36,125	40,630	12.5%
SINGLE-FAMILY HOME SALES	6,603	6,377	-3.4%
SINGLE-FAMILY AVG. SALES PRICE	\$401,787	\$403,556	0.4%
SINGLE-FAMILY MEDIAN SALES PRICE	\$330,000	\$327,000	-0.9%
SINGLE-FAMILY MONTHS INVENTORY*	2.8 months	3.6 months	0.8 months
SINGLE-FAMILY PENDING SALES	6,007	6,669	11.0%

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