

## **HOUSTON REAL ESTATE MARKET UPDATE**

### **NOVEMBER HOUSTON EXISTING HOME SALES POST THEIR FIRST INCREASE IN OVER 15 MONTHS AS PRICES LEVEL AND INVENTORY GROWS.**

#### **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 11.0% year-over-year in October 2023 from 41,931 sales to 37,252 sales.

JBREC also reports the October 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 \$287,900, decreasing 15.4% year-over-year. This pricing drop was a result of (1) the peaking of mortgage rates with the 30-year near or at 8% for much of October, and (2) builders selling a smaller mix of homes to keep nominal prices down. Since peaking in the last week of October at over 8.0%, average 30-year mortgage rates have decreased to 6.75-7.00% and pending sales are trending upward.

**Existing Home Sales** – According to the November report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales in November 2023 increased 4.9% to 6,154 sales from 5,864 sales in November 2022.

Per the Texas A&M Real Estate Research Center's Texas Housing Insight Report, "Housing supplies are stocking up as active listings marked their seventh straight month of increases, climbing 4.1 percent to 98,875 listings. All four major metros posted monthly gains with Houston (8.5 percent) adding 1,867 listings."

Although the Texas housing market continually battles high mortgage rates, "Texas' single-family construction permits rose 1.1 percent month over month (MOM) to 12,619 issuances", illustrating a tangible demand for new housing throughout the Lone Star State.

The average price of an existing single-family home increased 1.0% to \$404,597 in November 2023, and the median price dropped 1.2% to \$326,000.

The total active listings of single-family homes in the Houston area increased 13.5% to 40,724 active listings in November 2023. Single-family home inventory increased from 2.8 months of supply in November 2022 to 3.5 months in November 2023.

Pending single-family home sales increased 11.9% year-over-year to 6,069 pending sales in November 2023.

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

According to the Texas Workforce Commission's December Employment Growth Press Release, Texas's seasonally adjusted job count reached 14,094,900, posting an increase of 26,800 positions over the month.

The release goes on to say that "Lone Star State **employment set new record high levels in each of the last 26 months** and added 407,100 positions since November 2022, ranking No. 1 in the nation in year-over-year increase of seasonally adjusted nonfarm jobs."

<b>NEW HOME SALES</b>	<b>OCTOBER 2022</b>	<b>OCTOBER 2023</b>	<b>CHANGE</b>
NEW HOME SALES (TTM)	41,391	37,252	-11.0%
NEW HOME MEDIAN SALES PRICE	\$340,400	\$287,900	-15.4%
<b>EXISTING HOME SALES</b>	<b>NOVEMBER 2022</b>	<b>NOVEMBER 2023</b>	<b>CHANGE</b>
TOTAL ACTIVE LISTINGS	35,881	40,724	13.5%
SINGLE-FAMILY HOME SALES	5,864	6,154	4.9%
SINGLE-FAMILY AVG. SALES PRICE	\$400,554	\$404,597	1.0%
SINGLE-FAMILY MEDIAN SALES PRICE	\$330,000	\$326,000	-1.2%
SINGLE-FAMILY MONTHS INVENTORY*	2.8 months	3.5 months	0.7 months
SINGLE-FAMILY PENDING SALES	5,422	6,069	11.9%

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