

HOUSTON REAL ESTATE MARKET UPDATE

INCREASED INVENTORY AND LOWERED PRICING PAINTS A POSITIVE REAL ESTATE LANDSCAPE FOR THE HOUSTON MSA.

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 November 2023 from 41,701 sales to 37,223 sales.

JBREC also reports the November 2023 median price for new single-family homes was \$291,100, decreasing 12.9% year-over-year. Builders continue to adjust house floor plans and finishes to moderate median pricing.

Existing Home Sales - According to the December report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales in December 2023 decreased 6.2% to 6,103 sales from 6,506 sales in December 2022.

Per the Texas A&M Real Estate Research Center's Texas Housing Insight Report, "Single-family starts increased 1.1 percent MOM to 11,744 units. Both Dallas (3,393 starts) and Houston (3,510 starts) continued to outperform the rest of the state, combining for 58 percent of the total starts."

Although the Texas housing market continually faces high mortgage rates, the increase in construction starts shows a continued demand for new housing throughout the Lone Star State.

The average price of an existing single-family home increased 0.3% to \$407,817 in December 2023, and the median price saw no change at \$330,000

The total active listings of single-family homes in the Houston area increased 13.9% to 38,028 active listings in December 2023. Single-family home inventory increased from 2.6 months of supply in December 2022 to 3.3 months in December 2023.

Pending single-family home sales increased 14.5% year-over-year to 5,723 pending sales in December 2023.

The Houston and Texas Economy:

According to the Texas Workforce Commission's December Press Release, Texas's seasonally adjusted job count reached 14,103,300, posting an increase of 19,100 positions over the month of December.

The release goes on to say that "Texas' employment growth rate continued to outpace the nation by a full percentage point, with **2.7 percent annual growth** in the state from December 2022 to December 2023, compared to the nation's 1.7 percent." An increasingly positive landscape, Texas Employment is only rising to meet the demands of an ever-growing population.

"Texas' record-breaking employment growth remains a clear sign of the state's economic strength," said TWC Chairman Bryan Daniel. "We finished 2023 with thousands more jobs in the state than at any other time in history."

NEW HOME SALES	NOVEMBER 2022	NOVEMBER 2023	CHANGE
NEW HOME SALES (TTM)	41,701	37,223	-11.0%
NEW HOME MEDIAN SALES PRICE	\$334,200	\$291,100	-12.9%
EXISTING HOME SALES	DECEMBER 2022	DECEMBER 2023	CHANGE
TOTAL ACTIVE LISTINGS	33,394	38,028	13.9%
SINGLE-FAMILY HOME SALES	6,506	6,103	-6.2%
SINGLE-FAMILY AVG. SALES PRICE	\$406,691	\$407,817	0.3%
SINGLE-FAMILY MEDIAN SALES PRICE	\$330,000	\$330,000	NO CHANGE
SINGLE-FAMILY MONTHS INVENTORY*	2.6 months	3.3 months	0.7 months
SINGLE-FAMILY PENDING SALES	4,997	5,723	14.5%

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