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INVESTMENT**

REAL ESTATE

**JUNE 2024**

## **HOUSTON REAL ESTATE MARKET UPDATE**

### **HOUSTON MSA HOME PRICES HIT RECORD HIGHS AS HOUSING DEMAND HEATS UP ALONG WITH THE SUMMER TEMPS.**

#### **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 1.0% year-over-year in April 2024 from 39,055 sales to 38,588 sales.

JBREC also reports the April 2024 median price for new single-family homes was \$306,200, increasing 0.4% year-over-year.

Zonda Economics reports that the new home lot supply index saw higher-than-expected growth in the first quarter, which aligns with a positive outlook within the homebuilding industry. Ali Wolf, Chief Economist at Zonda, states that "This increase in upcoming lots is crucial for construction activity, and it bodes well for growth in housing starts throughout the rest of the year assuming consumer demand holds up."

**Existing Home Sales** - According to the June report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales in May 2024 decreased 1.5% to 8,538 sales from 8,664 sales in May 2023.

The average price of an existing single-family home increased 3.6% to \$443,970 in May 2024, and the median price increased 1.5% to \$345,000.

"The Houston market has demonstrated its adaptability yet again," said HAR Chair Thomas Mouton with Century 21 Exclusive Properties. "While the weather disruptions may have impacted some sales, there continued to be strong activity with a rise in available listings and persistent buyer interest."

We are beginning to see a more balanced market pace, benefiting both buyers with more options and sellers with sustained demand."

The total active listings of single-family homes in the Houston area increased 38.2% to 45,692 active listings in May 2024. Single-family home inventory increased from 2.7 months of supply in May 2023 to 4.0 months in May 2024. According to the National Association of Realtors, a balanced market falls between 4.0 - 6.0 months of inventory.

Pending single-family home sales increased 1.8% year-over-year to 8,484 pending sales in May 2024.

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

According to the Texas Workforce Commission's June Press Release, Texas' seasonally adjusted job count reached 14,195,600 after 41,800 jobs were added over the month in May, reflecting growth in 47 of the last 49 months.

The release goes on to say that Texas' annual nonfarm employment expanded by 2.3 percent which outpaced the nation by half a point, as the state added 316,700 jobs since May 2023.

"Texas continues to outpace the nation in nearly all industries and continues to increase the number of employed Texans," said TWC Commissioner Representing Labor Alberto Treviño III. "With job opportunities increasing, students and job seekers have multiple resources to help navigate the job market and create a career pathway."

<b>NEW HOME SALES</b>	<b>APRIL 2023</b>	<b>APRIL 2024</b>	<b>CHANGE</b>
NEW HOME SALES (TTM)	39,055	38,588	-1.0%
NEW HOME MEDIAN SALES PRICE	\$304,900	\$306,200	0.4%
<b>EXISTING HOME SALES</b>	<b>MAY 2023</b>	<b>MAY 2024</b>	<b>CHANGE</b>
TOTAL ACTIVE LISTINGS	33,068	45,692	38.2%
SINGLE-FAMILY HOME SALES	8,664	8,538	-1.5%
SINGLE-FAMILY AVG. SALES PRICE	\$428,350	\$443,970	3.6%
SINGLE-FAMILY MEDIAN SALES PRICE	\$340,000	\$345,000	1.5%
SINGLE-FAMILY MONTHS INVENTORY*	2.7 months	4.0 months	1.3 months
SINGLE-FAMILY PENDING SALES	8,332	8,484	1.8%

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