

## **HOUSTON REAL ESTATE MARKET UPDATE**

### **HOUSTON MSA HOME SALES REBOUND IN APRIL AS INVENTORY SLOWLY BUILDS UP TOWARDS A BALANCED MARKET.**

#### **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 8.0% year-over-year in March 2024 from 40,092 sales to 36,913 sales.

JBREC also reports the March 2024 median price for new single-family homes was \$311,300, increasing 7.5% year-over-year.

Zonda Economics reports that many house hunters have found the builder advantage undeniable. Buyers get the benefit of a brand-new home with lower maintenance needs, improved energy efficiency, and in many cases, either financial or design incentives.

According to the Texas A&M Texas Real Estate Research Center, single-family construction starts across Texas rose 2.6% month-over-month, reaching 16,104 units. Specifically, Houston saw a significant increase of 9.6% in March. Texas's overall value of single-family starts climbed from \$6.55 billion in March 2023 to \$9.51 billion in March 2024. Houston accounted for 36.6% of the state's total starts value.

**Existing Home Sales** – According to the May report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales in April 2024 increased 9.2% to 7,926 sales from 7,256 sales in April 2023. After a somewhat slower start to the spring homebuying season, April sales have seen a respectable increase.

The average price of an existing single-family home increased 4.6% to \$437,198 in April 2024, and the median price increased 3.0% to \$340,000.

“The spring homebuying season seems to be blossoming later than usual this year,” said HAR Chair Thomas Mouton with Century 21 Exclusive Properties. “While elevated interest rates continue to be a factor, the rebound in April home sales shows buyers are adapting to the new market realities, and sellers are finding opportunities as inventory levels rise.”

The total active listings of single-family homes in the Houston area increased 32.3% to 43,044 active listings in April 2024. Single-family home inventory increased from 2.6 months of supply in April 2023 to 3.7 months in April 2024. This surge in inventory is the highest recorded since October 2019, underscoring a favorable market environment for both buyers and sellers as we move into the second half of 2024. In a balanced market, there would typically be about **6 months** of inventory.

Pending single-family home sales increased 10.3% year-over-year to 9,110 pending sales in April 2024.

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

According to the Texas Workforce Commission's May Press Release, Texas' seasonally adjusted job count reached 14,159,000 after 42,600 jobs were added over the month in April, reflecting growth in 46 of the last 48 months.

The release goes on to say that Texas added 306,000 jobs from April 2023 to April 2024, and that Texas' annual nonfarm growth rate currently sits at 2.2 percent, outpacing the U.S. growth rate by 0.4 percentage points.

“Texas continues to set economic records as employers add jobs across industries,” said TWC Chairman Bryan Daniel. “TWC is working to improve programs and services to support our state's ongoing success.”

<b>NEW HOME SALES</b>	<b>MARCH 2023</b>	<b>MARCH 2024</b>	<b>CHANGE</b>
NEW HOME SALES (TTM)	40,092	36,913	-8.0%
NEW HOME MEDIAN SALES PRICE	\$289,700	\$311,300	7.5%
<b>EXISTING HOME SALES</b>	<b>APRIL 2023</b>	<b>APRIL 2024</b>	<b>CHANGE</b>
TOTAL ACTIVE LISTINGS	32,536	43,044	32.3%
SINGLE-FAMILY HOME SALES	7,256	7,926	9.2%
SINGLE-FAMILY AVG. SALES PRICE	\$417,915	\$437,198	4.6%
SINGLE-FAMILY MEDIAN SALES PRICE	\$330,000	\$340,000	3.0%
SINGLE-FAMILY MONTHS INVENTORY*	2.6 months	3.7 months	1.1 months
SINGLE-FAMILY PENDING SALES	8,260	9,110	10.3%

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