

HOUSTON REAL ESTATE MARKET UPDATE

DESPITE HURRICANE BERYL'S MARKET DISRUPTION, BOTH NEW AND EXISTING SINGLE-FAMILY HOME SALES INCREASE IN JULY.

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 increased 2.0% year-over-year in June 2024 from 37,455 sales to 38,385 sales.

JBREC also noted the June 2024 median price for new single-family homes was \$324,100, an increase of 3.2% year-over-year.

The number of building permits for single-family homes issued in the Houston metro area so far in 2024 reached 23,800, a 16% increase from one year ago, per the National Association of Home Builders. Texas leads the nation in number of permits issued.

Existing Home Sales – According to the Houston Association of Realtors' (HAR) July 2024 Market Update, "The Greater Houston real estate market was significantly impacted by Hurricane Beryl which left more than 2.2 million households without power for days. While the storm delayed some closings, increased sales activity in the high end of the market contributed to overall single-family home sales growth in July."

HAR reports that existing single-family home sales in July 2024 increased 1.8% to 7,635 sales from 7,501 sales in July 2023.

The average price of an existing single-family home increased 4.7% to \$445,440 in July 2024, and the median price increased 2.9% to \$350,000.

"Despite the temporary setbacks caused by Hurricane Beryl, we expect to see transactions catch back up next month," said HAR Chair Thomas Mouton with Century 21 Exclusive Properties. "Recent declines in mortgage rates have also given consumers a bit of renewed optimism, with some previously hesitant buyers now showing increased interest in buying a home."

Sales among homes priced \$1 million and up surged 14.2% year over year, the biggest increase among all price points.

The total active listings of single-family homes in the Houston area increased 30.5% to 47,348 active listings in July 2024. Single-family home inventory increased from 3.1 months of supply in July 2023 to 4.3 months in July 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 decreased 7.1% year-over-year to 7,180 pending sales in July 2024.

The Houston and Texas Economy:

According to the Texas Workforce Commission's August press release, Texas' civilian labor force reached a new record high in July, marking the seventh consecutive month of growth. Texas' seasonally adjusted civilian labor force achieved a new high of 15,353,700 in July 2024.

The press release goes on to state that Texas' nonfarm job count grew by 265,500 positions since July 2023. This reflected a 1.9% annual growth rate, which outpaced the nation by 0.3%.

"Texas is outperforming the national unemployment rate which signifies the strength of our labor market," said TWC Commissioner Representing Labor Alberto Treviño III. "TWC offers a wide array of resources to help job seekers take advantage of opportunities and propel their careers to the next level."

NEW HOME SALES	JUNE 2023	JUNE 2024	CHANGE
NEW HOME SALES (TTM)	37,455	38,385	2.0%
NEW HOME MEDIAN SALES PRICE	\$314,200	\$324,100	3.2%
EXISTING HOME SALES	JULY 2023	JULY 2024	CHANGE
TOTAL ACTIVE LISTINGS	36,269	47,348	30.5%
SINGLE-FAMILY HOME SALES	7,501	7,635	1.8%
SINGLE-FAMILY AVG. SALES PRICE	\$425,641	\$445,440	4.7%
SINGLE-FAMILY MEDIAN SALES PRICE	\$340,000	\$350,000	2.9%
SINGLE-FAMILY MONTHS INVENTORY*	3.1 months	4.3 months	1.2 months
SINGLE-FAMILY PENDING SALES	7,725	7,180	-7.1%

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