



## HOUSTON REAL ESTATE MARKET UPDATE

### HOME SALES IN THE HOUSTON AREA REAL ESTATE MARKET SOARED TO THEIR SEVENTH STRAIGHT MONTH OF GAINS.

#### The Houston Housing Market:

1. According to the latest monthly report from the Houston Association of REALTORS® (HAR), January home sales continued their 7-month long streak of positive gains with 4,669 units sold compared to 4,112 a year earlier, a **14.3%** increase. This increase marks the highest January increase in sales volume since 2013.

2. The median price of a single-family home (the figure at which half of the homes sold for more and half sold for less) inched up **4.5%** to \$234,000 in January, while the average price also rose by **4.6%** to \$291,034. These are the highest numbers ever seen in the month of January.

3. Total dollar volume for the month spiked **17.1%** to \$1.6 billion.

4. "January is a traditionally slower month for home sales coming off the holidays, but the Houston market continues to benefit from low mortgage interest rates and a generally robust economy with healthy employment numbers," said HAR Chairman John Nugent with RE/MAX Space Center. "All the January home buying activity lowered our housing inventory a little, but we expect to see that grow again as we approach the spring months when more homes typically hit the market."

5. Homes priced between \$250,000 and \$500,000 climbed **25.6% year-over-year** in January while homes in the \$500,000 to \$750,000 range increased by **33.9%** year-over-year. Luxury homes, those priced over \$750,000 jumped **20.0%** in January, demonstrating continued strength across the board.

6. Days on Market (DOM) increased slightly from 66 to 68 days. Single family pending sales jumped **21.1%** year-over-year and total active listings were up by 3.7%.

7. Single-family homes inventory fell to a 3.5 months supply in January, down marginally from a 3.6 months'

supply the same time a year earlier. The national housing inventory stands at a 3.0 months' supply, according to the latest report from the National Association of REALTORS® (NAR).

#### The Houston Economy:

1. The Houston area MSA created **90,000** jobs, a **2.9%** increase, in the 12 months ending December 2019, according to the Texas Workforce Commission (TWC). The employment growth rate for Houston has remained at or above 2.5% since March 2019. Over the past five years, the job growth rate has increased at an average annual rate of 1.75%.

2. Even though the energy industry may be going through a rough patch, the local economy is on a positive pathway, says economist Ray Perryman of the Perryman Group. Perryman told the JLL Houston Industrial Summit 2020 Wednesday that Houston will gain about 60,000 new jobs in 2020 and the population growth will be significant over the next few years. "I think the Houston economy is in pretty good shape," Perryman said.

3. The Houston Business-Cycle Index rose an annual **3.2%** in December. The reading suggests that the broader Houston economy expanded at a healthy pace in the final months of 2019.

4. Houston's unemployment rate was **3.6%** in December 2019 down from 3.9% a year earlier.

5. The closing spot price for a barrel of West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, averaged \$57.51 per barrel during January 2020, an increase of **10.7%** from \$51.37 for the same month in 2019. The U.S. Energy Information Administration forecasts WTI will average \$59.25 in 2020.