

NEW HOME SALES	SEPTEMBER 2019	SEPTEMBER 2020	CHANGE
NEW HOME SALES (TTM)	32,290	36,565	13.0%
NEW HOME MEDIAN SALES PRICE	\$266,300	\$269,900	1.4%
EXISTING HOME SALES	SEPTEMBER 2019	SEPTEMBER 2020	CHANGE
TOTAL ACTIVE LISTINGS	42,959	32,047	-25.4%
SINGLE-FAMILY HOME SALES	8,673	9,195	6.0%
SINGLE-FAMILY AVG. SALES PRICE	\$299,600	\$329,801	10.1%
SINGLE-FAMILY MEDIAN SALES PRICE	\$244,679	\$265,000	8.3%
SINGLE-FAMILY MONTHS INVENTORY*	3.9	2.5	-1.4 MONTHS
SINGLE-FAMILY PENDING SALES	6,615	9,507	43.7%

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



HOUSTON REAL ESTATE MARKET UPDATE

HOUSTON HOUSING MARKET SEES STRONG DEMAND AND DECLINING INVENTORY

The Houston Housing Market:

1. New Home Sales – John Burns Real Estate Consulting (JBREC) reported that sales of new single-family housing (measured in trailing 12 months) in the Houston area increased by 13% year-over-year from 32,290 new home closings to 36,565 in August 2020.
2. New Home Sales Price - The median sales price of new houses sold in Houston in August 2020 was \$269,900, an increase of 1.4% year-over-year.
3. Despite the ongoing coronavirus pandemic, home buyers were out in force in September, still taking advantage of historically low mortgage interest rates even as the selection of available housing continues to dwindle.
4. According to the latest monthly report from the Houston Association of REALTORS® (HAR), existing single family home sales set another record in September, jumping 29% year-over-year from 7,050 single-family homes sold in September 2019 to 9,101 in 2020 marking the fourth straight month of positive sales.
5. Single-family homes inventory in the Houston MSA continued to decline reaching 2.5 months' supply in September, down from a 3.9 months' supply the same time a year earlier. The last time inventory was that low was in December 2014. The national housing inventory stands at a 3.0 months' supply, according to the latest report from the National Association of REALTORS® (NAR). "Home sales continue to amaze, and there are plenty of buyers in the pipeline ready to enter the market," said Lawrence Yun, NAR's chief economist. "Further gains in sales are likely for the remainder of the year, with mortgage rates hovering around 3% and with continued job recovery." "Housing **demand is robust but supply is not**, and this imbalance will inevitably harm affordability and hinder ownership opportunities," he said. "To assure broad gains in homeownership, **more new homes need to be constructed.**"
6. The luxury home market, homes priced \$750,000 and above, registered the greatest percentage increase, rocketing 81.5% compared to September 2019. The second-best performer were homes priced \$500,000 to \$749,999, which jumped 58.1% year-over-year. Homes between \$250,000 and \$499,999 also rose by 46.7% in September. The average sales price for existing home sales increased by 10.1% YoY from \$299,600 to \$329,801 while the median price rose in September by 8.3% to 265,000. Both the median and average prices set record highs for a September. Sales of all property types in September 2020 totaled 11,137, up 31.9% from the same time last year. Total dollar volume for the month jumped 43.6% to \$3.4 billion. Single-family home rentals continued to cool off falling 3.9% year-over-year in September with the average rent rising 5.5% to \$1,940.

The Houston Economy:

1. The Texas Workforce Commission reported the Houston area MSA unemployment rate in August declined to 8.1% down from 9.5 in July, signaling continued post-COVID economic recovery. For comparison, the Texas unemployment rate was 7% and the U.S. rate was 8.5%.
2. U.S. consumer confidence posted its biggest gain in 17 years, according to The Conference Board. The University of Michigan's consumer sentiment index jumped from 74.1 in August to 78.9 in September, its highest point in six months. The index sits roughly 22 points from its pre-pandemic high. The Houston Purchasing Managers Index (PMI), a short-term leading indicator for regional economic activity, registered 53.4 in September, up from 52.6 in August. A reading above 50 indicates that activity is increasing, while a reading below 50 indicates a decline in activity.