

AUGUST 2022

HOUSTON REAL ESTATE MARKET UPDATE

HOUSTON MSA NEW HOME SALES VOLUME SHOWS SLIGHT DECLINE AMIDST TIGHT INVENTORY. EXISTING HOME SALES SLOW IN THE FACE OF HIGHER RATES.

Sales continue to stay well above Houston MSA and Texas historical numbers as mortgage rates stabilize, prices continue to rise, and job growth accelerates.

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 by 2.0% year-over-year from 43,221 home closings to 42,485 in June 2022.

JBREC also reports the June 2022 median price - the figure at which half of the homes sold for more and half sold for less - for new single-family homes was \$318,900, up 14.1% year-over-year.

Existing Home Sales - According to the latest monthly report from the [Houston Association of REALTORS®](#) (HAR), existing single-family home sales for July 2022 decreased 17.1% to 8,370 sales from 10,102 sales a year prior.

The average price of a single-family home rose 9.9% to \$426,494 in July 2022 and the median price jumped 12.7% to \$348,740.

The total active listings of single-family homes in the Houston area increased by 30.0% to 33,711 active listings in July 2022. Single-family home inventory increased by 0.8 months year-over-year from 1.7 months in July 2021 to 2.8 months in July 2022. This is the highest months' supply Houston has seen since August 2020 when it was 2.6 months, but this is still well below 6.0 to 6.5 months of supply necessary for a balanced market.

Pending single-family home sales dipped by 12.5% year-over-year to be 8,330 pending sales in July 2022.

Homes priced between \$500K and \$1M saw the only increase in sales for July 2022, registering a 10.1% year-over-year gain. The sector with the lowest decrease

in sales was the \$250,000-\$500,000 sector, having a decrease of 9.2% year-over-year.

HAR Chair Jennifer Wauhob with Better Homes and Gardens Real Estate Gary Greene states, "As long as we continue to see inventory grow and prices level off, I believe homebuyers will move off the sidelines and back into the marketplace. An easing of interest rates would help as well, particularly for first-time buyers who desperately want to seize the American Dream of homeownership."

The Houston and Texas Economy:

In July 2022 the seasonally adjusted Houston unemployment rate was 4.0%, a 0.1% decrease from June 2022.

According to the [Texas Workforce Commission](#), Texas added 72,800 total non-agricultural jobs over the month. For the ninth consecutive month, Texas reached another record employment level with non-farm jobs reaching 13,513,100. Since July 2021, Texas has added a total of 736,700 positions.

"Texas continues to add jobs month after month, and our unemployment rate continues to decline - meaning more jobs for Texans," said TWC Commissioner Representing Labor Julian Alvarez. "Regardless of background or skill level, Texas has opportunities for all to succeed in not just a job, but a career."

NEW HOME SALES	JUNE 2021	JUNE 2022	CHANGE
NEW HOME SALES (TTM)	43,221	42,485	-2.0%
NEW HOME MEDIAN SALES PRICE	\$279,500	\$318,900	14.1%
EXISTING HOME SALES	JULY 2021	JULY 2022	CHANGE
TOTAL ACTIVE LISTINGS	25,937	33,711	30.0%
SINGLE-FAMILY HOME SALES	10,102	8,370	-17.1%
SINGLE-FAMILY AVG. SALES PRICE	\$387,999	\$426,494	9.9%
SINGLE-FAMILY MEDIAN SALES PRICE	\$309,554	\$348,740	12.7%
SINGLE-FAMILY MONTHS INVENTORY*	1.7 months	2.5 months	0.8 months
SINGLE-FAMILY PENDING SALES	9,516	8,330	-12.5%

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