Texas Real Estate Research Center economists continuously monitor many facets of the global, national, and Texas economies. *Texas Housing Insight* is a summary of important economic indicators that help discern trends in the Texas housing markets. All measurements are calculated using seasonally adjusted data, and percentage changes are calculated month-over-month, unless stated otherwise.

This monthly publication provides data and insights on the Texas housing markets. We hope you find them useful. Your feedback is always appreciated. Send comments and suggestions to info@recenter.tamu.edu.

Joshua Roberson, Koby McMeans, and Rhutu Kallur

Data current as of March 22, 2024

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Housing sales grew modestly despite mortgage rates remaining elevated. The average home price grew alongside sales, with the cost rising over $9,000 since December 2023. Single-family starts and permits both increased as well.

**Inventory Growth Outpaces Sales Growth**

According to the latest data, Texas had a 3.6 percent increase in total home sales month over month (MOM), resulting in 29,999 homes sold (Table 1). Most of the major cities experienced a slight upswing. The most significant increase was in San Antonio (11.8 percent) with an increase of over 339 additional sales compared to January. Dallas showed an increase of almost 700 homes, an 8.7 percent increase. While Houston experienced remarkable home sales last month, February was uneventful as growth flattened.

<table>
<thead>
<tr>
<th>Table 1. Home Sales Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>San Antonio-New Braunfels</td>
</tr>
<tr>
<td>Dallas-Fort Worth-Arlington</td>
</tr>
<tr>
<td>Texas</td>
</tr>
<tr>
<td>Austin-Round Rock</td>
</tr>
<tr>
<td>Houston-The Woodlands-Sugar Land</td>
</tr>
</tbody>
</table>

The state’s new listings stand at 45,696 in February, continuing the upward trend. Three of the four major metros posted monthly increases with Dallas and Austin experiencing a remarkable surge of 25.7 percent and 23 percent, respectively. Houston had an increase of 17 percent. This is the highest number of new listings in Houston in a decade. San Antonio, which was down 1.8 percent, was the only one among the Big Four to experience a drop.

The state’s average days on the market (DOM) increased from 56 to 57 days. Dallas increased to 52 days and Houston reduced to 48 days after staying consistent at 50 days for two consecutive months. Both Austin (74 days) and San Antonio (68 days) recorded increases, falling by one and two
days, respectively. Along with a higher DOM, statewide inventory increased from 3.6 to 3.9 months.

All of the Big Four metros had more active listings than in January. After experiencing its largest drop, Austin rose by 11.6 percent. Dallas (23,000) and Houston (25,655) had increases of 2.5 percent and 4 percent, respectively.

**Mortgage Rates Remain Below Peak Values**

Treasury and mortgage rates remain below their elevated 2023 levels as the ten-year U.S. Treasury Bond yield rose to 4.25 percent. The Federal Home Loan Mortgage Corporation’s 30-year fixed-rate fell by 14 basis points to 6.78 percent.

**Single-Family Construction Gets an Early Start**

In Texas, the number of single-family construction permits increased by 2.9 percent month over month, reaching 13,355 issuances. Houston exhibited a substantial surge of 31.6 percent, whereas Dallas and San Antonio had more modest increases of 7.7 percent and 4.7 percent, respectively. Interestingly, Austin was the only major city to experience a decrease, with a decline of 7.9 percent.

Construction starts rose alongside permits, according to data from Dodge Construction Network. **Single-family starts** rose by 31 percent MOM to 15,630 units. In January, Austin reported 1,469 single-family housing starts, which slightly decreased to 1,434 in February. The other major cities in Texas experienced varying trends: Dallas rose 41.59% to 3,595 starts, Houston saw a 56% increase to 5,368, and San Antonio had a modest 3.3% rise to 844 starts. Austin, down 2.4 percent, was the only one among the Big Four to see a fall in single-family starts.

The state’s total **value of single-family starts** climbed from $3.97 billion in February 2023 to $5.79 billion in February 2024. Houston accounted for 35 percent of the state’s total starts value. Starts value activity is up from last year as Austin and San Antonio also posted moderate increases.

**Home Prices Stable in February**

The state’s median home price essentially stayed the same as last month at around $341,000 (Table 2). Across major metropolitan areas, home prices experienced marginal upward shifts, all remaining below the 1 percent mark. Notably, Austin witnessed a slight decline of 0.4 percent, the lowest among the four major cities. In contrast, Houston recorded the most substantial increase, with home prices rising by 0.8 percent.

The majority of sales fall into the $200,000-$300,000 and $300,000-$400,000 price range cohorts, accounting for 28.2 and 22.6 percent of total home sales, respectively.

The Texas Repeat Sales Home Price Index (Jan 2004=100) grew 1.4 percent MOM and 3.4 percent year over year (YOY). Austin’s annual appreciation remains well below the states’ average, falling to 1.6 percent YOY.
# Table 2. Median Housing Prices

<table>
<thead>
<tr>
<th>Region</th>
<th>January</th>
<th>February</th>
<th>MoM Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston-The Woodlands-Sugar Land</td>
<td>$336,172</td>
<td>$338,888</td>
<td>0.8%</td>
</tr>
<tr>
<td>Dallas-Fort Worth-Arlington</td>
<td>$397,116</td>
<td>$399,735</td>
<td>0.7%</td>
</tr>
<tr>
<td>San Antonio-New Braunfels</td>
<td>$299,983</td>
<td>$301,673</td>
<td>0.6%</td>
</tr>
<tr>
<td>Texas</td>
<td>$340,958</td>
<td>$341,526</td>
<td>0.2%</td>
</tr>
<tr>
<td>Austin-Round Rock</td>
<td>$445,620</td>
<td>$443,703</td>
<td>-0.4%</td>
</tr>
</tbody>
</table>

Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University
Note: Data are seasonally adjusted
Texas Single-Family Permits

Permits

March to December
January to February

Source: Texas Real Estate Research Center at Texas A&M University

Single-Family Housing Construction Permits
Seasonally Adjusted Trend

Index January 2000 = 100

Texas
United States

Source: U.S. Census Bureau - Texas Real Estate Research Center at Texas A&M University
Single-Family Housing Construction Permit Values
Seasonally Adjusted Trend

Source: U.S. Census Bureau - Texas Real Estate Research Center at Texas A&M University

Top New Home Markets
Single-Family Detached Homes

Source: U.S. Census Bureau - Texas Real Estate Research Center at Texas A&M University
Regional Housing Starts

Total Housing Units

Source: U.S. Census Bureau - Texas Real Estate Research Center at Texas A&M University

Metro Housing Starts

Source: Zonda - Texas Real Estate Research Center at Texas A&M University
Inventory by Price Cohort
Seasonally Adjusted Trend

- $0 - $299k
- $300k - $399k
- $400k - $499k
- $500k - $749k
- $750k+

Source: Texas Real Estate Research Center at Texas A&M University

Texas New and Existing Inventory
Seasonally Adjusted Annualized Rate

- Existing Home
- New Construction

Source: Texas Real Estate Research Center at Texas A&M University
Residential Home Sales
Seasonally Adjusted Annualized Rate

Source: National Association of Realtors - Texas Real Estate Research Center at Texas A&M University

Texas Sales by Price Cohort
Seasonally Adjusted Annualized Rate

Source: Texas Real Estate Research Center at Texas A&M University
**México Home Sales**

Seasonally Adjusted Trend

![Graph of Home Sales Trends](image)

- Austin
- DFW
- Houston
- San Antonio

Source: Texas Real Estate Research Center at Texas A&M University

**Homeownership Rate**

Seasonally Adjusted Trend

![Graph of Homeownership Rates](image)

- Texas
- United States

Source: U.S. Census Bureau and Texas Real Estate Research Center at Texas A&M University
New and Existing Home Sales
Seasonally Adjusted Annualized Rate

Source: Texas Real Estate Research Center at Texas A&M University

Metro Median Days on Market
Seasonally Adjusted Annualized Rate

Source: Texas Real Estate Research Center at Texas A&M University
Metro Median Sale to List Price Ratio

Seasonally Adjusted Annualized Rate

<table>
<thead>
<tr>
<th>Price Ratio</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>0.96</td>
<td>1.04</td>
</tr>
<tr>
<td>DFW</td>
<td>0.96</td>
<td>1.04</td>
</tr>
<tr>
<td>Houston</td>
<td>0.95</td>
<td>1.03</td>
</tr>
<tr>
<td>San Antonio</td>
<td>0.94</td>
<td>1.02</td>
</tr>
</tbody>
</table>

Source: Texas Real Estate Research Center at Texas A&M University

Interest Rates

<table>
<thead>
<tr>
<th>Rate</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Year Treasury</td>
<td>1.0%</td>
<td>2.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>30 Year Mortgage</td>
<td>3.5%</td>
<td>4.5%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Federal Funds Effective Rate</td>
<td>0.5%</td>
<td>1.0%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Source: Federal Reserve - Wall Street Journal - Texas Real Estate Research Center at Texas A&M University
**Median Existing Single-Family Home Prices**

Seasonally Adjusted Annualized Rate

Source: National Association of Realtors - Texas Real Estate Research Center at Texas A&M University

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**Texas New and Existing Median Home Price**

Seasonally Adjusted Annualized Rate

Source: Texas Real Estate Research Center at Texas A&M University
Texas Major Metro Median Home Prices
Seasonally Adjusted Annualized Rate

Median Price

Source: Texas Real Estate Research Center at Texas A&M University

Texas Major Metro Median Single-Family Monthly Rent
Seasonally Adjusted Annualized Rate

Median Monthly Rent

Source: Texas Real Estate Research Center at Texas A&M University
### Major Metro Home Price Index
**Seasonally Adjusted Annualized Rate**

- **Index 2005 = 100**
- **Years:** 2005 to 2021

- **Colors and Cities:**
  - Red: Austin
  - Blue: DFW
  - Orange: Houston
  - Green: San Antonio

Source: Texas Real Estate Research Center at Texas A&M University

### Major Metro Single-Family Rent Index
**Seasonally Adjusted Annualized Rate**

- **Index 2005 = 100**
- **Years:** 2005 to 2021

- **Colors and Cities:**
  - Red: Austin
  - Blue: DFW
  - Orange: Houston
  - Green: San Antonio

Source: Texas Real Estate Research Center at Texas A&M University