TEXAS HOUSING INSIGHT

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MAY 2024 DATA
TECHNICAL REPORT

TEXAS A&M UNIVERSITY
Texas Real Estate Research Center
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, Rhutu Kallur, and Wesley Miller

Data current as of June 22, 2024

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Housing activity for both new and existing homes decreased in May. Despite a rise in active listings, home prices remained the same at $340,000 for the second month in a row.

**Slow Home Sales for May**

Texas witnessed a 4.2 percent decrease in total seasonally adjusted home sales month over month (MOM), resulting in 27,845 homes sold (Table 1). Austin and Dallas experienced decreases of 4.5 percent (2,731) and 2.4 percent (7,920), respectively. However, San Antonio and Houston experienced slight increases of 1.7 percent (3,049) and 1 percent (7,623). Overall, there has been a significant downward trend for sales compared with the past few years.

New listings have been steadily increasing, although there is a slight drop of 2.9 percent (45,878) in May. Among the Big Four, San Antonio experienced the only increase at 6.4 percent. Austin saw the largest decline at 13.3 percent while Dallas dropped 6.6 percent. Houston’s new listings were relatively unchanged.

The state’s average days on the market (DOM) remained unchanged at 57. Austin and San Antonio each fell by two days while Dallas has remained at 50 days for two months. San Antonio continues to have the highest days on market among the Big Four with 71 days followed by Austin at 65 and Houston and Dallas have continued to average 50.

The number of active listings went up from 111,053 to 116,404 (4.8 percent). The level of active listings increased across three of the Big four with Dallas (7.3 percent) and Austin (6.3 percent) leading the way with 26,758 and 11,604 listings, respectively.

Pending listings during May have been on a decline of 7.5 percent. All the Big Four except Houston experienced a substantial decline during this month. San Antonio pending listings fell the most dropping 10.6 percent followed by DFW and Austin dropping 8.4 and 7.8 percent, respectively. Houston was the only major city that experienced an increase in pending listings of less than 1 percent. The slowdown in sales and pending listings have contributed to the higher-than-normal active listing count.

**Interest Rates Dip Slightly**

Treasury and mortgage rates remain below their peak 2023 levels but have been increasing since the start of the year. The average **ten-year U.S. Treasury Bond yield** fell six basis points to 4.48 percent. The **Federal Home Loan Mortgage Corporation’s 30-year fixed-rate** fell by two basis points to 7.52 percent.
Single-Family Starts and Permits Declining

Texas’ number of single-family construction permits decreased by 2 percent MOM, reaching 13,539 issuances. San Antonio had the biggest monthly increase adding 1,048 permits or 9.7 percent. Houston had a slower month for permits with a decline of 15 (4,098) percent, following a big increase in April. Dallas decreased by a negligible 0.4 percent (4,207). Austin experienced a modest increase of 1.7 percent (1,409).

Construction starts declined according to data from Dodge Construction Network. Seasonally adjusted single-family starts decreased by 3.09 percent MOM to 13,290 units. After a massive drop in April of 27 percent, there was a slight upward swing in single-family starts for Houston of 2.8 percent (4,452). Dallas dropped by 17.8 percent (3,451) while San Antonio and Austin reported modest increases of 3.2 percent (892) and 1.6 percent (1,420), respectively.

Housing Highlight

Outside of Hurricane Harvey (and a data anomaly in June 2019), Houston’s single-family housing starts were relatively stable month to month during the 2010s, exhibiting a slight downturn during the 2015 oil bust followed by a steady upward trend in the latter half of the decade. Figure 1 illustrates the trend breaks and increased volatility that characterized the COVID-19 pandemic and post-pandemic eras. Historically, low interest rates and a shift in preferences toward more living space (for both health concerns and work-from-home accommodations) fueled demand for single-family housing. Homebuilders, who also leveraged lower costs of financing, responded with a surge in single-family housing starts to levels not seen since the onset of the Great Recession.
The Federal Reserve’s interest-rate hike in March 2022 marks a transition in the post-pandemic period, when housing starts descended and bottomed out at decade-level lows. In the second half of 2023, however, Houston housing starts trended near pre-pandemic levels, and activity surged to a record-high in March 2024. Despite correcting downward from the spring-time surge, the volume of starts remained above pre-pandemic levels. Figure 2 plots the intra-year progression of single-family start totals, highlighting the current trajectory in context of pre-pandemic, COVID-19 pandemic, and post-pandemic economic conditions. Houston is on a record-setting pace for single-family housing starts in 2024, but economic disruptions from Hurricane Beryl and projections of a hyper-active hurricane season present headwinds and short-run uncertainty.

![Figure 2. Intra-Year Cumulation of Houston Single-Family Housing Starts](image)

Source: Dodge Construction Network

The state’s total **value of single-family starts** climbed from $11.8 billion in May 2023 to $16.65 billion in May 2024. Houston accounted for 36.4 percent of the state’s total starts value followed by Dallas with 26.4 percent.

**Home Prices Unchanged**

Texas’ median home price has remained stable at approximately $340,000 for four months (Table 2). The prices have remained stable this month with San Antonio and Houston increasing by 0.4 percent and 0.2 percent, respectively. Austin and Dallas both have declined by 0.4 percent. Despite there being an increase in new listings and active listings, housing prices have remained resilient.
The Texas Repeat Sales Home Price Index (Jan 2005=100) grew 0.4 percent MOM and 2.2 percent year over year (YOY). Austin’s annual appreciation remains below the state’s average, falling by 1.5 percent YOY.

### Table 1. Home Sales Volume

<table>
<thead>
<tr>
<th></th>
<th>April</th>
<th>May</th>
<th>MoM Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Antonio-New Braunfels</td>
<td>2,997</td>
<td>3,049</td>
<td>1.7%</td>
</tr>
<tr>
<td>Houston-Pasadena-The Woodlands</td>
<td>7,550</td>
<td>7,623</td>
<td>1.0%</td>
</tr>
<tr>
<td>Dallas-Fort Worth-Arlington</td>
<td>8,113</td>
<td>7,920</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Texas</td>
<td>29,077</td>
<td>27,845</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Austin-Round Rock-San Marcos</td>
<td>2,859</td>
<td>2,731</td>
<td>-4.5%</td>
</tr>
</tbody>
</table>

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

### Table 2. Median Housing Prices

<table>
<thead>
<tr>
<th></th>
<th>April</th>
<th>May</th>
<th>MoM Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Antonio-New Braunfels</td>
<td>$311,285</td>
<td>$312,683</td>
<td>0.4%</td>
</tr>
<tr>
<td>Texas</td>
<td>$338,954</td>
<td>$339,646</td>
<td>0.2%</td>
</tr>
<tr>
<td>Houston-Pasadena-The Woodlands</td>
<td>$336,756</td>
<td>$337,409</td>
<td>0.2%</td>
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<tr>
<td>Dallas-Fort Worth-Arlington</td>
<td>$399,679</td>
<td>$398,050</td>
<td>-0.4%</td>
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<tr>
<td>Austin-Round Rock-San Marcos</td>
<td>$443,708</td>
<td>$441,887</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

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

Single-Family Housing Construction Permits
Seasonally Adjusted Trend

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

2000 2010 2020

Northeast Midwest South West

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

Metro Housing Starts

2005 2010 2015 2020

San Antonio-Rock, TX Dallas-Fort Worth-Arlington, TX Houston-The Woodlands-Sugar Land, TX

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

Texas New and Existing Inventory
Seasonally Adjusted Annualized Rate

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

Sales (SAAR)

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

Texas Sales by Price Cohort
Seasonally Adjusted Annualized Rate

Sales (SAAR)

Source: Texas Real Estate Research Center at Texas A&M University
Metro Home Sales
Seasonally Adjusted Trend

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

Homeownership Rate
Seasonally Adjusted Trend

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

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

Interest Rates

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

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

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

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

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

Index 2005 = 100

- Austin
- DFW
- Houston
- San Antonio

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

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

Index 2005 = 100

- Austin
- DFW
- Houston
- San Antonio

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