



TEXAS A&M UNIVERSITY

Texas Real Estate Research Center



TEXAS HOUSING INSIGHT

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NOVEMBER 2023 DATA

TECHNICAL REPORT

About This Report	2
November 2023 Summary	3
Supply	6
Texas Single-Family Permit	6
Single-Family Housing Construction Permits.....	6
Single-Family Housing Construction Permit Values	7
Top New-Home Markets	7
Regional Housing Starts	8
Metro Housing Starts.....	8
Inventory by Price Cohort.....	9
Texas New and Existing Inventory.....	9
Demand	10
Residential Home Sales.....	10
Texas Sales by Price Cohort	10
Metro Home Sales	11
Homeownership Rate	11
New and Existing Home Sales.....	12
Metro Median Days on Market	12
Metro Median Sale to List Price Ratio	13
Interest Rates.....	13
Prices	14
Median Existing Single-Family Home Prices.....	14
Texas New and Existing Median Home Price	14
Texas Major Metro Median Home Prices.....	15
Texas Major Metro Median Single-Family Monthly Rent	15
Major Metro Home Price Index.....	16
Major Metro Single-Family Rent Index.....	16



ABOUT THIS REPORT

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 and Koby McMeans

Data current as of Jan. 5, 2024

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NOVEMBER 2023 SUMMARY

SINGLE-FAMILY CONSTRUCTION PERMITS
 12.7% MOM

ACTIVE LISTINGS
 4.8% MOM

DAYS ON MARKET
 51 days

HOME SALES
 0.9% MOM

The housing market remains tight despite mortgage rates falling from their elevated levels. Home sales decreased just shy of 1 percent month over month (MOM). Prices did not fall alongside sales as most of the state experienced minimal change in prices. Construction permits plummeted in November despite construction starts increasing. Homes sat on the market for less time as average days on market continued its decreasing trend observed this year.

Home Sales Fall as Listings Increase

Mortgage rates fell this month, but their elevated level remains problematic for homebuyers as Texas' **total home sales** fell 0.9 percent MOM to 25,916 sales in November (Table 1). Among the Big Four, Dallas reported the only increase in home sales, rising 2.3 percent to 7,363 sales. Austin fell 4.4 percent, and San Antonio reported its second straight month of significant decreases, plummeting 8.9 percent. The gap between Dallas and Houston widened as both continued to move in opposite directions. High mortgage rates have created an affordability problem, with people needing to spend more of their total income on affording a median-priced home.

Table 1. Home Sales Volume

	Oct.	Nov.	Monthly Changes
Texas	26,164	25,916	↓ -0.9%
Austin-Round Rock	2,495	2,384	↓ -4.4%
Dallas-Fort Worth-Arlington	7,196	7,363	↑ 2.3%
Houston-The Woodlands-Sugar Land	6,845	6,841	↓ -0.2%
San Antonio-New Braunfels	2,615	2,506	↓ -4.2%

Note: Seasonally adjusted data used for the reported metrics.
 Source: Texas Real Estate Research Center at Texas A&M University

The state's **average days on market (DOM)** fell to 51, continuing the decline observed in 2023. For the past seven months, readings have gone from 59 to 51 days, indicating a shorter listing period. Among the major metros, Austin (75 days) and San Antonio (70 days) reported DOM significantly above the state average, while Houston (43 days) and Dallas (46 days) experienced minor fluctuations from the previous month.

Housing supplies are stocking up as **active listings** marked their sixth straight month of increases, climbing to 104,058 listings. This is the first time in four years supply has hit six-digit numbers. All four major metros posted monthly gains with Dallas adding 1,949 listings (9.1 percent) while Austin

added fewer than a hundred homes for the third consecutive month. The constant increases since the start of 2023 have put the state's active listings at January 2019 levels.

The state's **new listings** rose 1.85 percent to 43,255 in November. San Antonio contributed heavily to this jump, rebounding from last month's fall with a 9.4 percent increase. Dallas's numbers remained unchanged from October. Amid the rise in active listings, the months of inventory (**MOI**) had a small increase to 3.7 months with all four major metros also posting small increases.

Mortgage Rates Fall from Peak Values

As news broke that the Fed might be finished with their rate hikes, treasury and mortgage rates fell. The **ten-year U.S. Treasury Bond yield** fell 30 basis points to 4.5 percent. Likewise, **the Federal Home Loan Mortgage Corporation's 30-year fixed-rate** fell 18 basis points to 7.44 percent. The decreases across the board signal an increase in housing affordability.

Mixed Single-Family Construction Activity

Texas' **single-family construction permits** fell 1.7 percent MOM to 12,418 issuances. Both Austin and San Antonio had MOM dips falling 7 percent and 16 percent, respectively. Houston was essentially unchanged with only a 0.3 percent decline while Dallas grew by 1.3 percent.

Construction starts grew while construction permits fell, according to data from Dodge Construction Network. **Single-family starts** increased 1.1 percent MOM to 11,744 units. Both Dallas (3,393 starts) and Houston (3,510 starts) continued to outperform the rest of the state, combining for 58 percent of the total starts. Austin increased its lead over San Antonio, with 1,647 starts approaching a 3:1 ratio compared to San Antonio. Historically, Austin's advantage has been about 2:1 in total starts.

The state's year-to-date total **single-family starts value** climbed to \$27.7 billion, up from \$25.4 billion in October. Starts values have been mirroring 2019 values since May, remaining within \$1 billion dollars from the observed 2019 values. Houston and Dallas both accounted for 30 percent of the state's construction activity values.

Median Home Price Steady Across the Big Four

Texas' median home prices recorded a modest decline, falling 0.1 percent to \$334,600 (Table 2). All of the Big Four recorded marginal changes of less than 1 percent, with Dallas exhibiting the only increase in price at 0.9 percent. Austin's home prices have come down significantly from the highly inflated 2022 prices, although remain elevated from pre-COVID prices.

Table 2. Median Housing Prices

	Oct.	Nov.	Monthly Changes
Texas	\$334,900	\$334,600	↓ -0.1%
Austin-Round Rock	\$437,000	\$437,200	0%
Dallas-Fort Worth-Arlington	\$393,900	\$306,900	↑ 0.9%
Houston-The Woodlands-Sugar Land	\$331,500	\$328,500	↓ -0.9%
San Antonio-New Braunfels	\$312,700	\$311,000	↓ -0.5%

Note: Seasonally adjusted data used for the reported metrics.
Source: Texas Real Estate Research Center at Texas A&M University

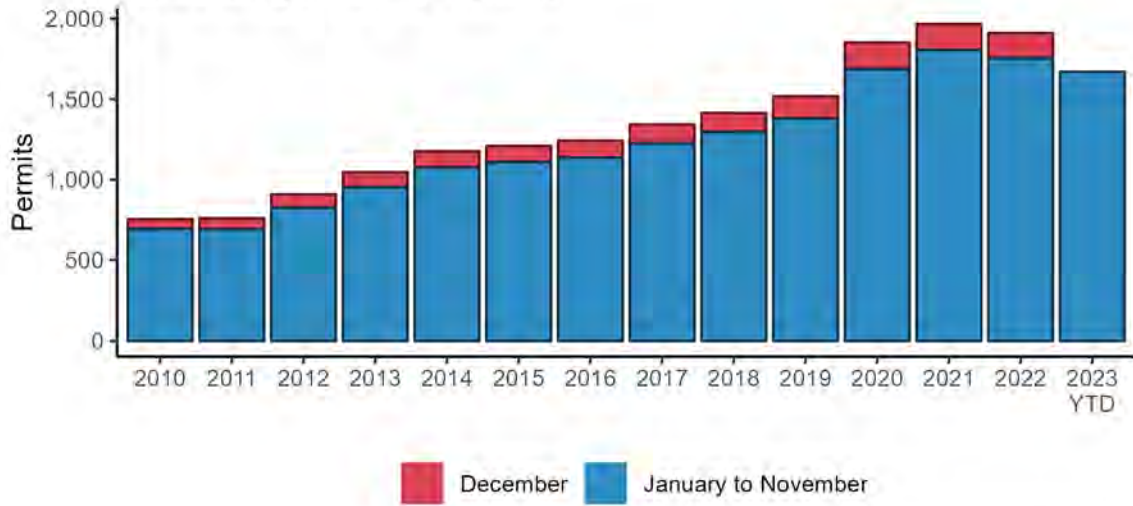
Home prices continued to hover around \$200,000-\$300,000 and \$300,000-\$400,000, accounting for 26 and 24 percent of total home sales, respectively.

The **Texas Repeat Sales Home Price Index** (Dec 2004=100) fell 0.9 percent MOM but remains 2 percent up from the previous year. Houston had the highest annual appreciation at 2.6 percent YOY increase while Austin showed the lowest annual appreciation at negative 3 percent.



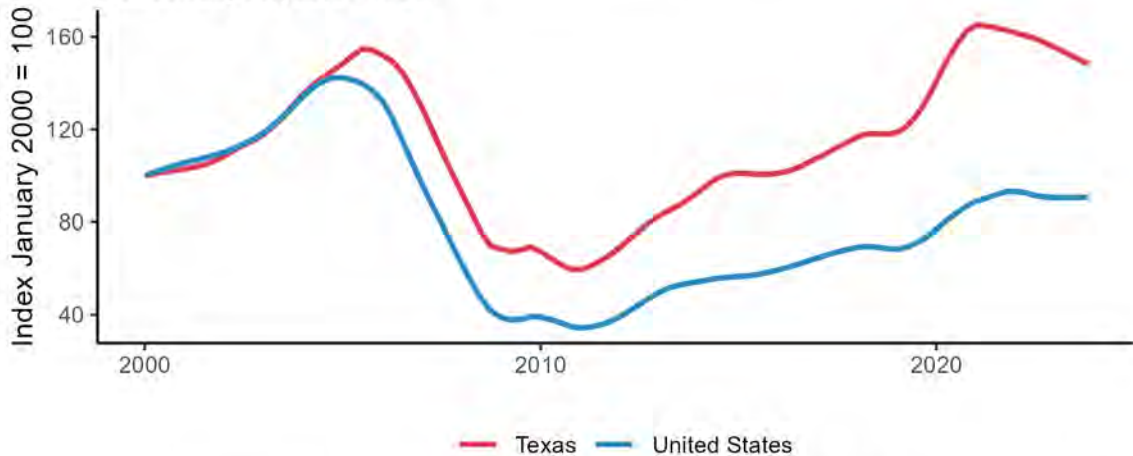
SUPPLY

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

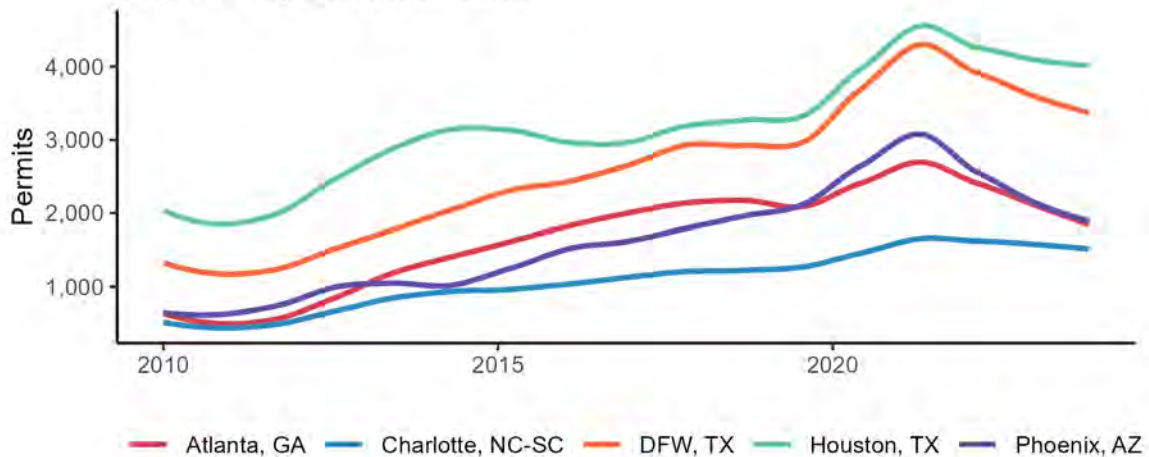


Single-Family Housing Construction Permit Values Seasonally Adjusted Trend



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

Top New Home Markets Single-Family Detached Homes

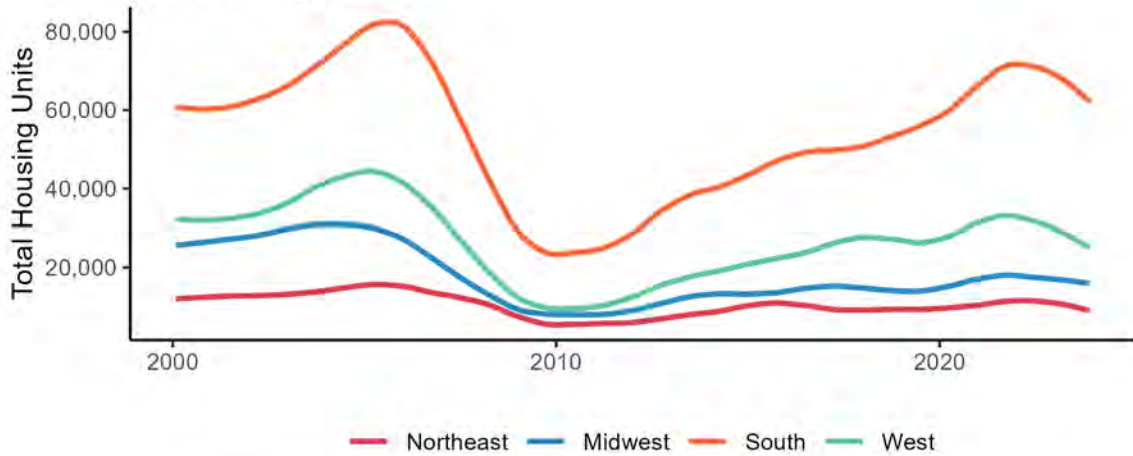


Source: U.S. Census Bureau - Texas Real Estate Research Center at Texas A&M University



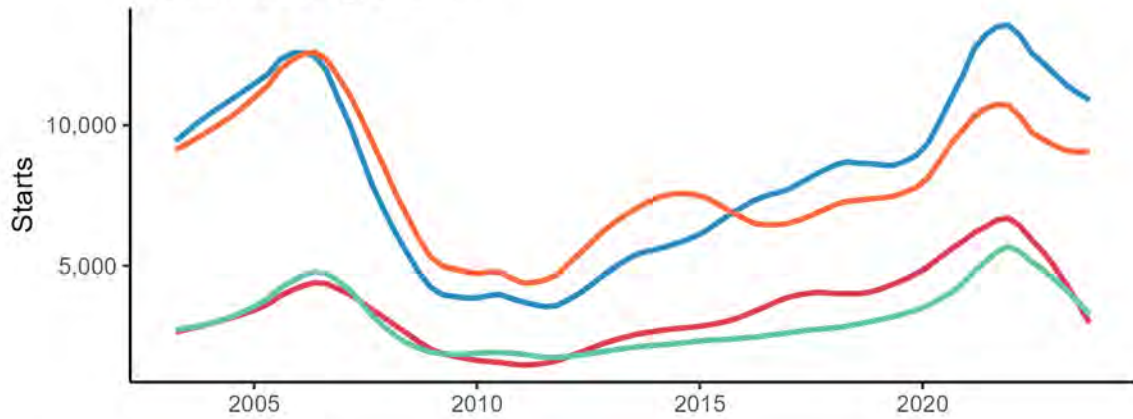
Regional Housing Starts

Total Housing Units



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

Metro Housing Starts



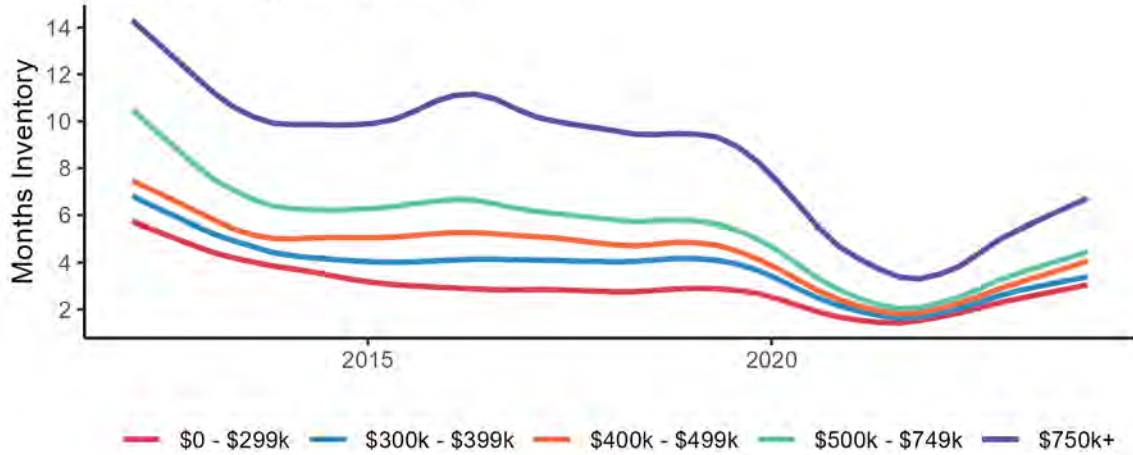
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Source: Zonda - Texas Real Estate Research Center at Texas A&M University



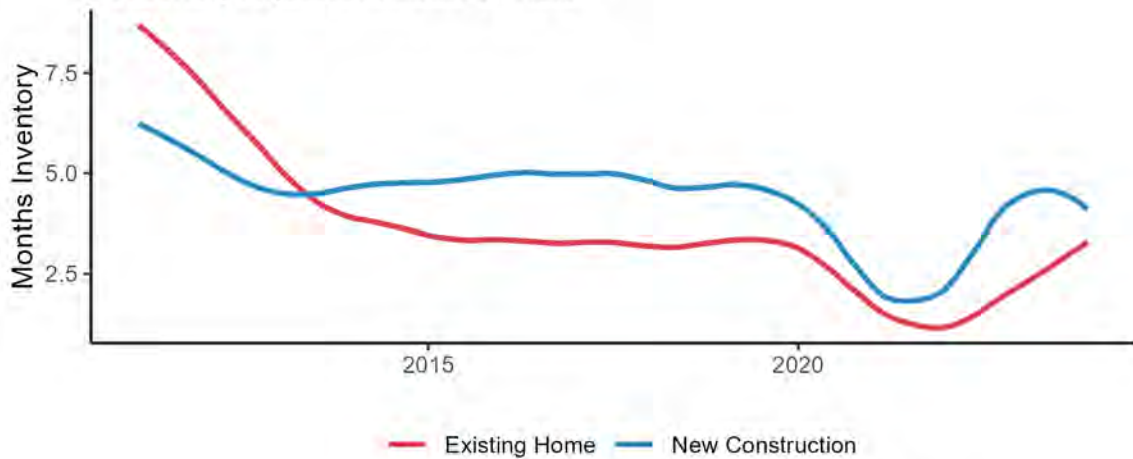
SUPPLY

Inventory by Price Cohort
Seasonally Adjusted Trend



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

Texas New and Existing Inventory
Seasonally Adjusted Annualized Rate



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



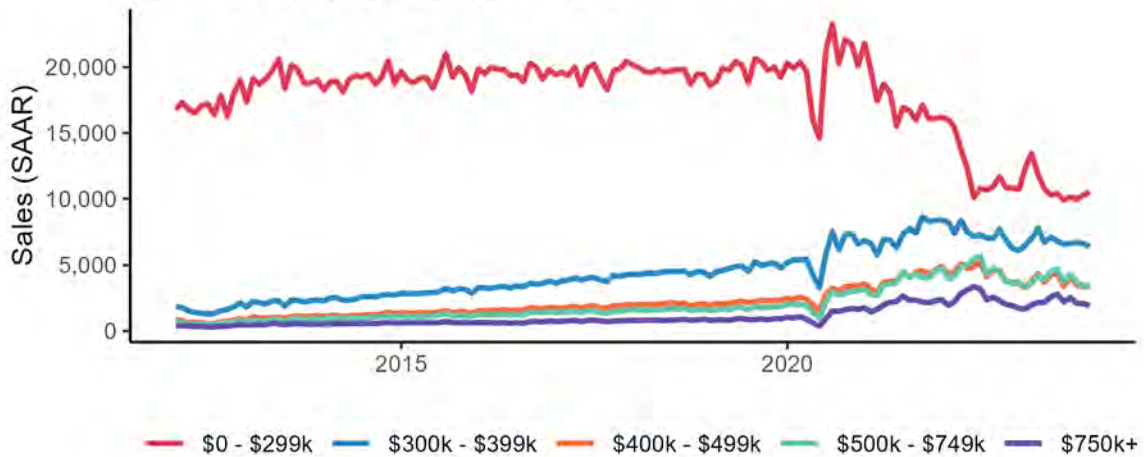
DEMAND

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

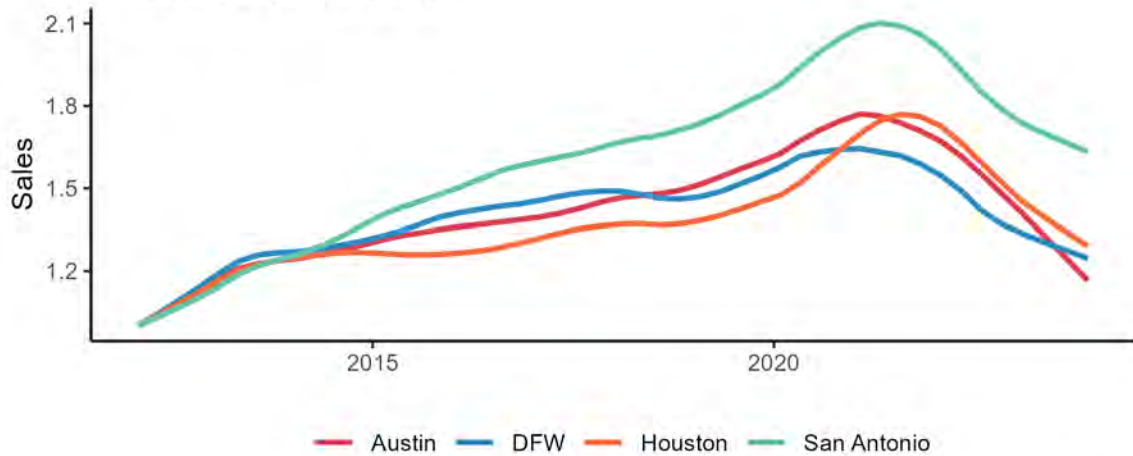




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Metro Home Sales

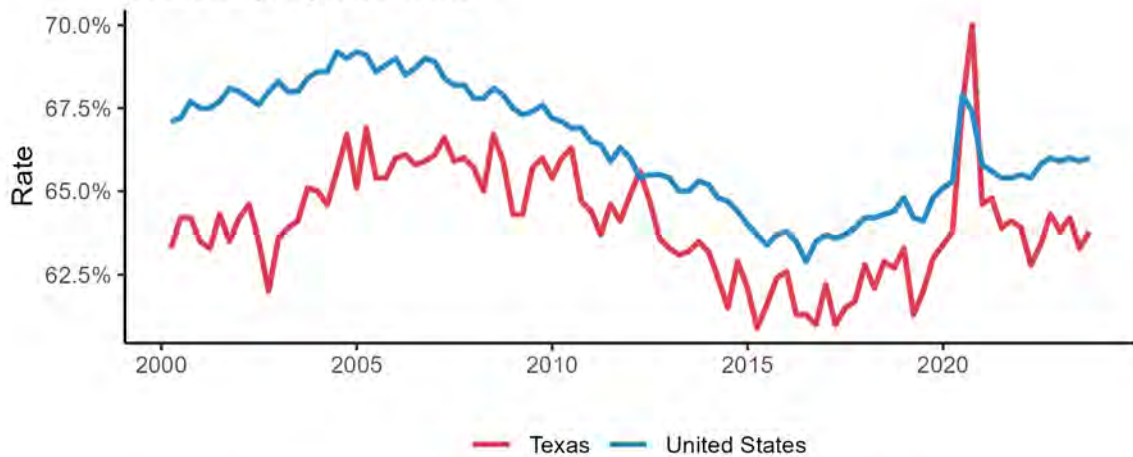
Seasonally Adjusted Trend



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



DEMAND

New and Existing Home Sales

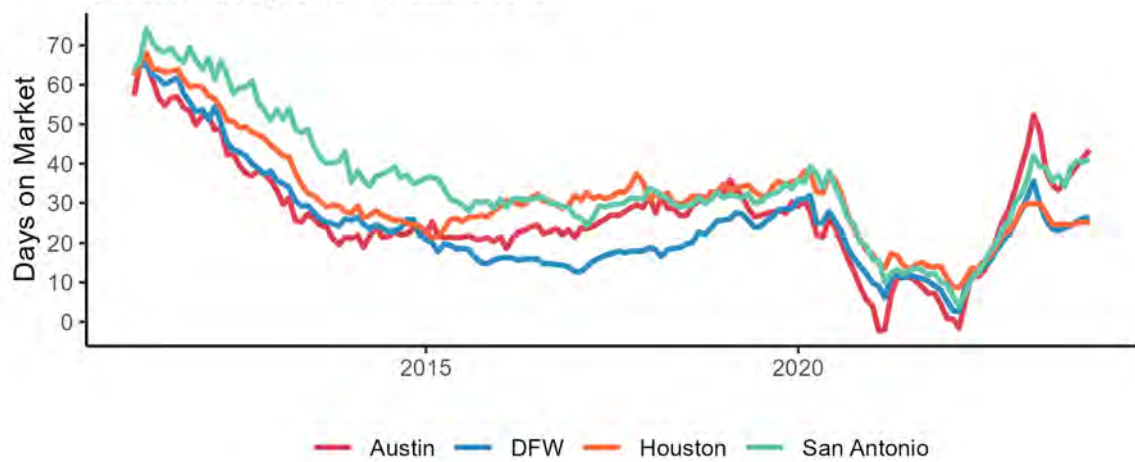
Seasonally Adjusted Annualized Rate



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

Metro Median Days on Market

Seasonally Adjusted Annualized Rate



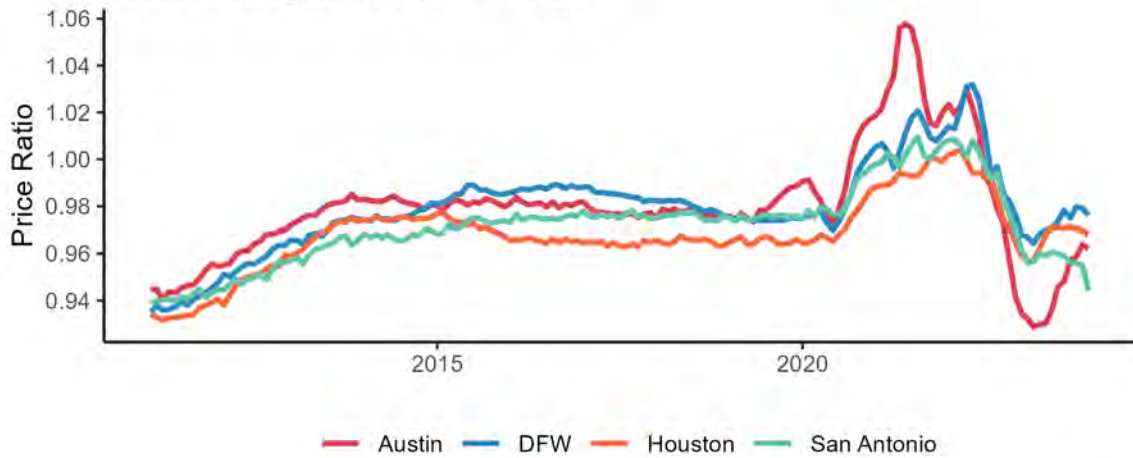
Source: Texas Real Estate Research Center at Texas A&M University



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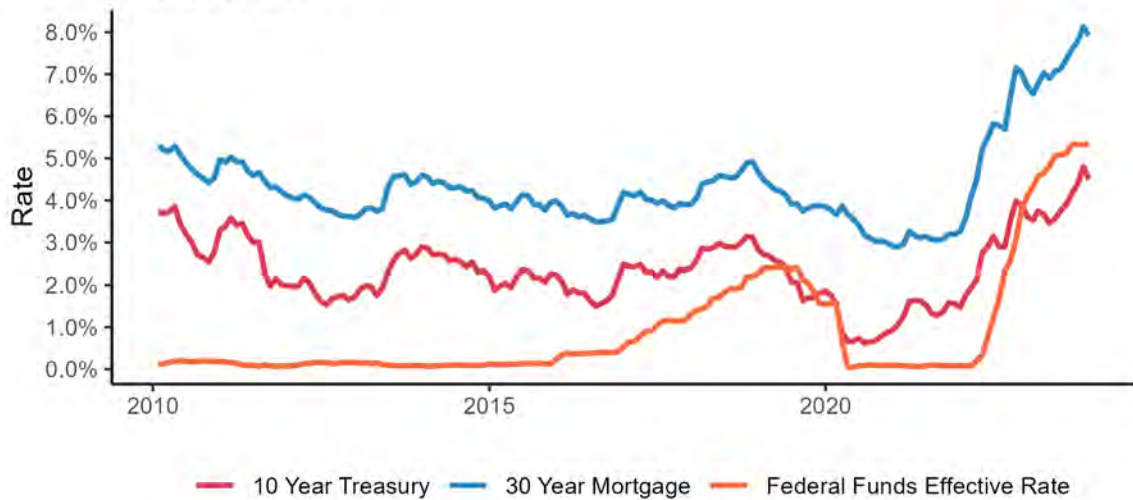
Metro Median Sale to List Price Ratio

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



PRICES

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

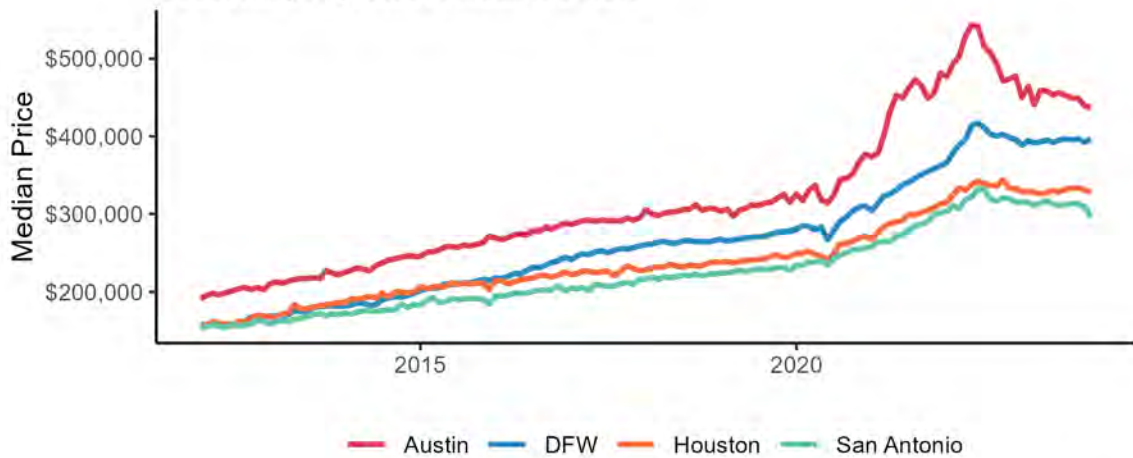


Source: Texas Real Estate Research Center at Texas A&M University



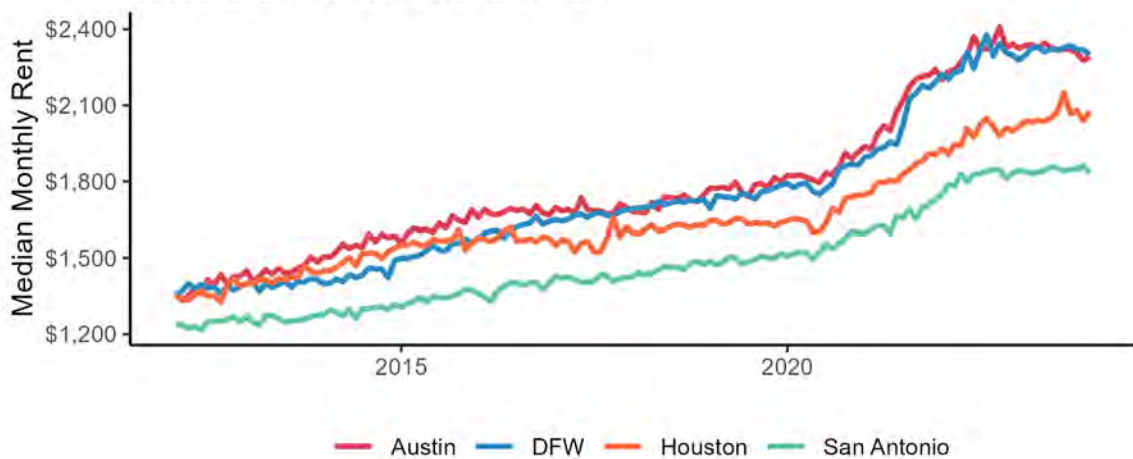
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Texas Major Metro Median Home Prices Seasonally Adjusted Annualized Rate



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

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

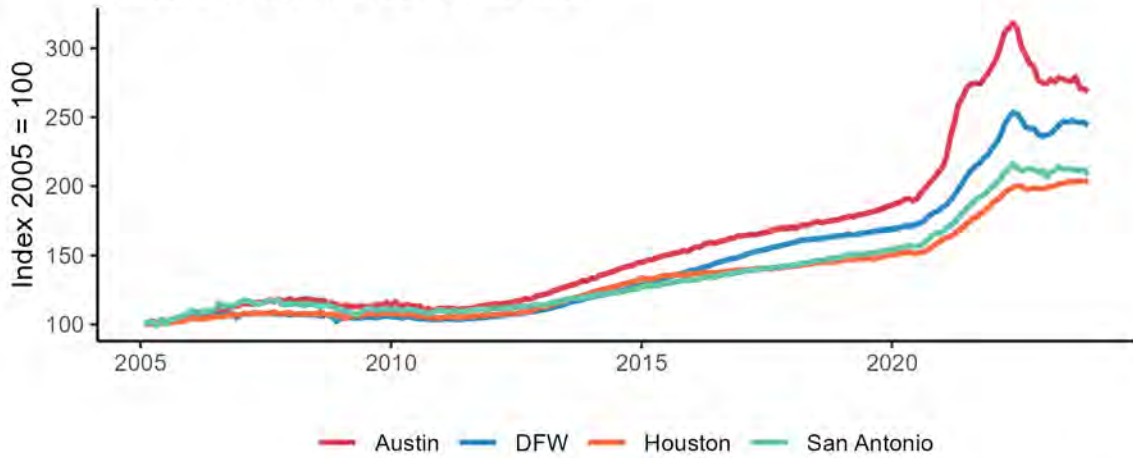


Source: Texas Real Estate Research Center at Texas A&M University



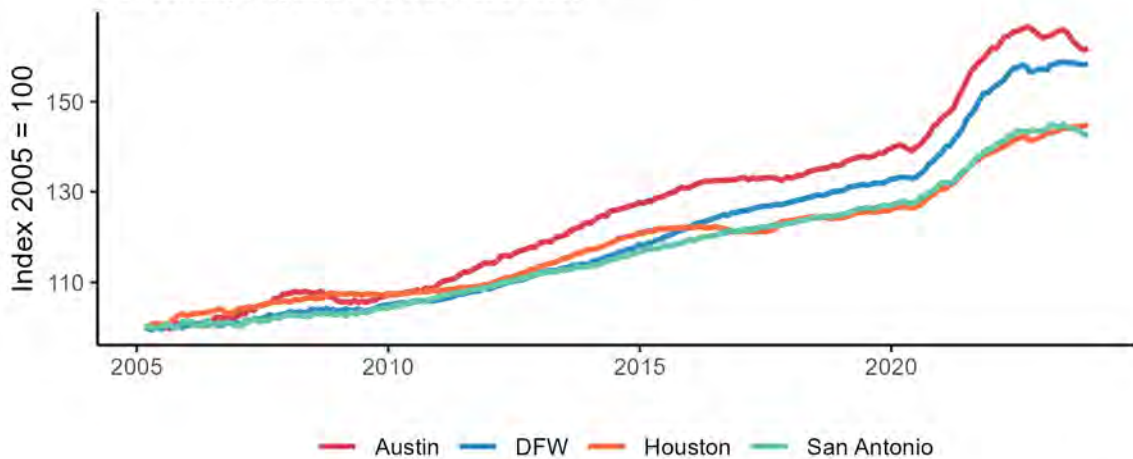
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Major Metro Home Price Index Seasonally Adjusted Annualized Rate



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

Major Metro Single-Family Rent Index Seasonally Adjusted Annualized Rate



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



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