

The number of homes on the market in Houston reached the lowest level in more than a decade in October, thanks to a surge in sales that also lifted prices to the highest levels ever for an October.

Single-family home sales skyrocketed 32.7 percent compared to October 2011, according to the latest monthly data prepared by the Houston Association of REALTORS® (HAR), and accounted for the 17th consecutive month of positive sales. Contracts closed on 5,379 homes, driving inventory down to 4.4 months, a level last seen in December 2001. All segments of the housing market saw gains in October, with the steepest among homes priced above \$250,000.

“Home sales throughout Houston were incredibly strong in October and sent the supply of homes down to 4.4 months, which is the lowest level we’ve observed in 11 years,” said Wayne A. Stroman, HAR chairman and CEO of Stroman Realty. “Our active real estate market reflects the general health of the Houston economy, most notably the addition of close to 96,000 new jobs over the past year, according to the latest Texas Workforce Commission employment report. The inventory squeeze has definitely created fertile ground for homebuilders.”

The single-family home average price increased 8.3 percent year-over-year to \$223,366, the highest level for an October in Houston. The median price—the figure at which half of the homes sold for more and half sold for less—jumped 8.7 percent to \$163,000, also a record high for an October in Houston.

Foreclosure property sales reported in the Multiple Listing Service (MLS) declined 10.9 percent compared to October 2011. Foreclosures made up 15.5 percent of all property sales, the lowest one-month sales volume of the year and a likely reflection of the continued slowdown in

the sales of homes priced below \$80,000. The median price of October foreclosures rose 6.3 percent to \$85,000.

October sales of all property types in Houston totaled 6,457, a staggering 35.1 percent increase over October 2011. Total dollar volume for properties sold during the month shot up 47.2 percent to \$1.4 billion versus \$945 million a year earlier.

October Monthly Market Comparison

October brought Houston’s overall housing market positive results when all sales categories are compared to October 2011. On a year-over-year basis, total property sales, total dollar volume and average and median pricing all rose.

Month-end pending sales for October totaled 3,854. That is up 24.6 percent from last year and signals the likelihood of further gains when

Categories	October 2011	October 2012	Change
Total Property Sales	4,781	6,457	35.1%
Total Dollar Volume	\$945,448,029	\$1,391,684,388	47.2%
Total Active Listings	46,674	37,909	-18.8%
Total Pending sales	3,092	3,854	24.6%
Single-Family Home Sales	4,054	5,379	32.7%
Single-Family Average Sales Price	\$206,255	\$223,366	8.7%
Single-Family Median Sales Price	\$149,900	\$163,000	8.8%
Single-Family Months Inventory*	6.6	4.4	-32.9 %

**Months inventory estimates the number of months it will take to deplete current active inventory based on the prior 12 months sales activity. This figure is representative of the single-family homes market.*

Houston Real Estate Milestones in October

- Single-family home sales increased 32.7 percent year-over-year, accounting for the market's 17th consecutive monthly increase.
- Total dollar volume shot up 47.2 percent, increasing from \$945 million to \$1.4 billion on a year-over-year basis;
- At \$223,366, the single-family home average price reached the highest level for an October in Houston;
- At \$163,000, the single-family home median price also reached an historic high for an October in Houston;
- 4.4 months inventory of single-family homes is the lowest level in nearly 11 years (December 2001) and is lower than the national average of 5.9 months;
- Sales of townhouses/condominiums rose 41.6 percent year-over-year;
- Single-family home rentals rose 3.6 percent compared to October 2011.

Resource (RPR), a wholly-owned subsidiary of NAR, to bring RPR's national property database to HAR members.

"Houston real estate — from new homes to warehouses to office buildings — is arguably the best overall real estate market in the nation right now." That is how reporter Ralph Bivins began his very bullish-on-Houston November 6 *CultureMap Houston* "Real Estate Round-up" column, using data that HAR provided.

In his November 7 story, *Ultimate West U* reporter Timothy Petropoulos wrote about HAR's first legislative priorities survey, which gauged public sentiment on legislative and policy issues affecting the Houston real estate market.

HOUSTONREALTOR®

Townhouse/Condominium Update

October sales of townhouses and condominiums soared 41.6 percent from one year earlier. A total of 490 units sold last month versus 346 properties in October 2011. The average price edged up 1.3 percent to \$167,606 while the median price declined a fractional 0.8 percent to \$134,000. Months inventory plunged 35.0 percent year-over-year to 5.0 months compared to 7.7 months in October 2011.

Supply of Houston Homes Evaporates in October as Sales Soar

*Home prices achieve October highs with
inventory dropping to an 11-year low*