

**FEBRUARY 2025**

## **HOUSTON REAL ESTATE MARKET UPDATE**

### **THE HOUSTON MSA SEES A RISE IN NEW HOME SALES WHILE EXISTING HOME SALES REMAIN STABLE.**

#### **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 increased 4.0% year-over-year in December 2024 from 37,426 sales to 38,903 sales.

JBREC also noted the December 2024 median price for new single-family homes was \$334,600, an increase of 6.9% year-over-year.

**Existing Home Sales** – [The Houston Association of Realtors \(HAR\)](#) reports that existing single-family home sales in January 2025 increased 1.2% to 5,064 sales from 5,002 sales in January 2024.

The average price of an existing single-family home increased 4.4% to \$406,492 in January 2025, and the median price increased 1.6% to \$325,000.

Pending single-family home sales increased 4.8% year-over-year to 6,745 pending sales in January 2025.

“We’re seeing a healthy balance in the Houston housing market as we head into the traditionally busy spring and summer months,” said HAR Chair Shae Cottar with LPT Realty. “Inventory is in a good place to handle the expected uptick in buyer demand. Interest rates will remain a factor, but the market fundamentals are strong.”

The total active listings of single-family homes in the Houston area increased 26.3% to 47,864 active listings in January 2025.

Single-family home inventory increased by 1.1 months from 3.2 months of supply in January 2024 to 4.3 months in January 2025. According to the National Association of Realtors, a balanced market falls between 4.0 - 6.0 months of inventory.

#### **The Houston and Texas Economy:**

According to the [Greater Houston Partnership's](#) job growth forecast, Metro Houston is expected to add 71,200 jobs in 2025.

Key growth sectors include Healthcare, Construction, Professional Services, Government, and Restaurants. This positive outlook is fueled by a growing U.S. economy, declining interest rates, and a growing wave of companies establishing operations in the region.

“Over the past two decades, Houston has experienced several recessions, devastating weather events and the COVID-19 pandemic, but despite these events, the Houston region's economy has remained competitive,” Partnership Chief Economist Patrick Jankowski said. “Houston's GDP has grown 70 percent after adjusting for inflation, and that growth is proof that our resilient economy will encourage continued growth for years to come.”

The Texas Workforce Commission's Labor Market Growth report is still pending.

| NEW HOME SALES                   | DECEMBER 2023 | DECEMBER 2024 | CHANGE     |
|----------------------------------|---------------|---------------|------------|
| NEW HOME SALES (TTM)             | 37,426        | 38,903        | 4.0%       |
| NEW HOME MEDIAN SALES PRICE      | \$312,900     | \$334,600     | 6.9%       |
| EXISTING HOME SALES              | JANUARY 2024  | JANUARY 2025  | CHANGE     |
| TOTAL ACTIVE LISTINGS            | 37,901        | 47,864        | 26.3%      |
| SINGLE-FAMILY HOME SALES         | 5,002         | 5,064         | 1.2%       |
| SINGLE-FAMILY AVG. SALES PRICE   | \$389,349     | \$406,492     | 4.4%       |
| SINGLE-FAMILY MEDIAN SALES PRICE | \$320,000     | \$325,000     | 1.6%       |
| SINGLE-FAMILY MONTHS INVENTORY*  | 3.2 months    | 4.3 months    | 1.1 months |
| SINGLE-FAMILY PENDING SALES      | 6,433         | 6,745         | 4.8%       |

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