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# Dynamics in the Texas Housing Market: An Economic Overview

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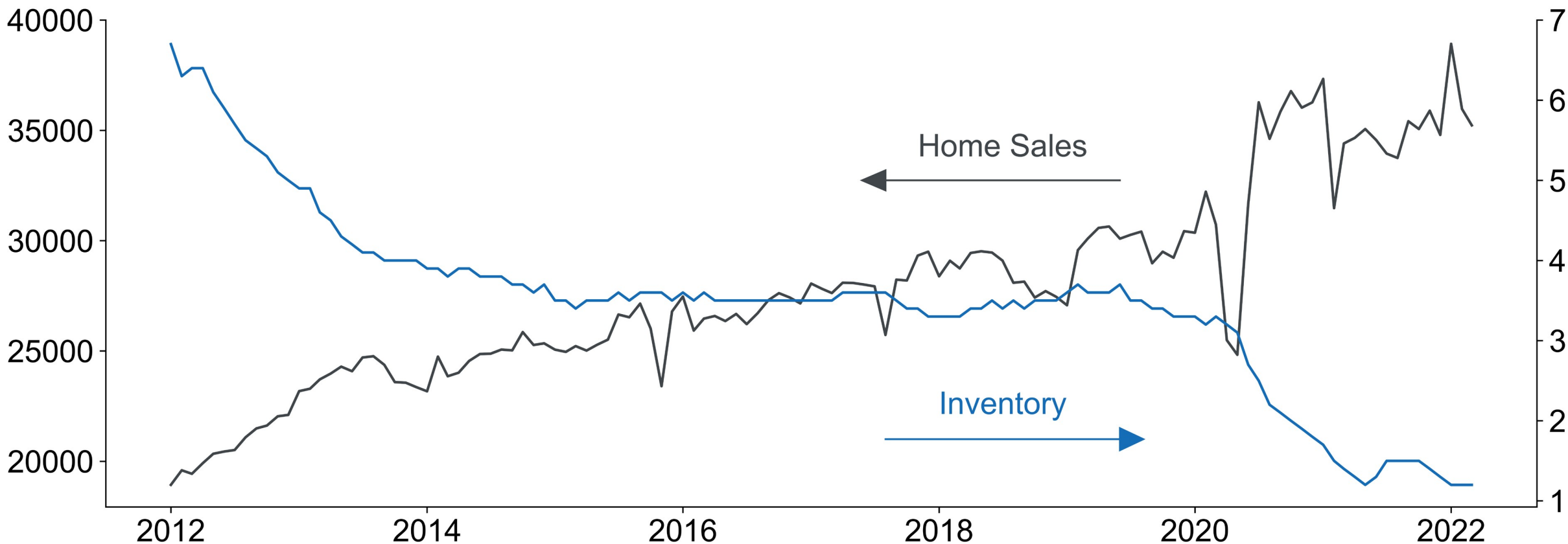
# Introduction

- Home inventories and home sales were, until recently, thought to be out of line with normal levels
- Median prices were, until recently, thought to be rising at an unusually rapid pace
- To what extent were those stylized facts correct?
- To what extent have things changed in recent months?
- What does that imply about the behavior of Texas housing markets going forward?

# As Of Early 2022, Home Sales Were High, Inventory Low

Total existing home sales\*

Months Supply of Inventory

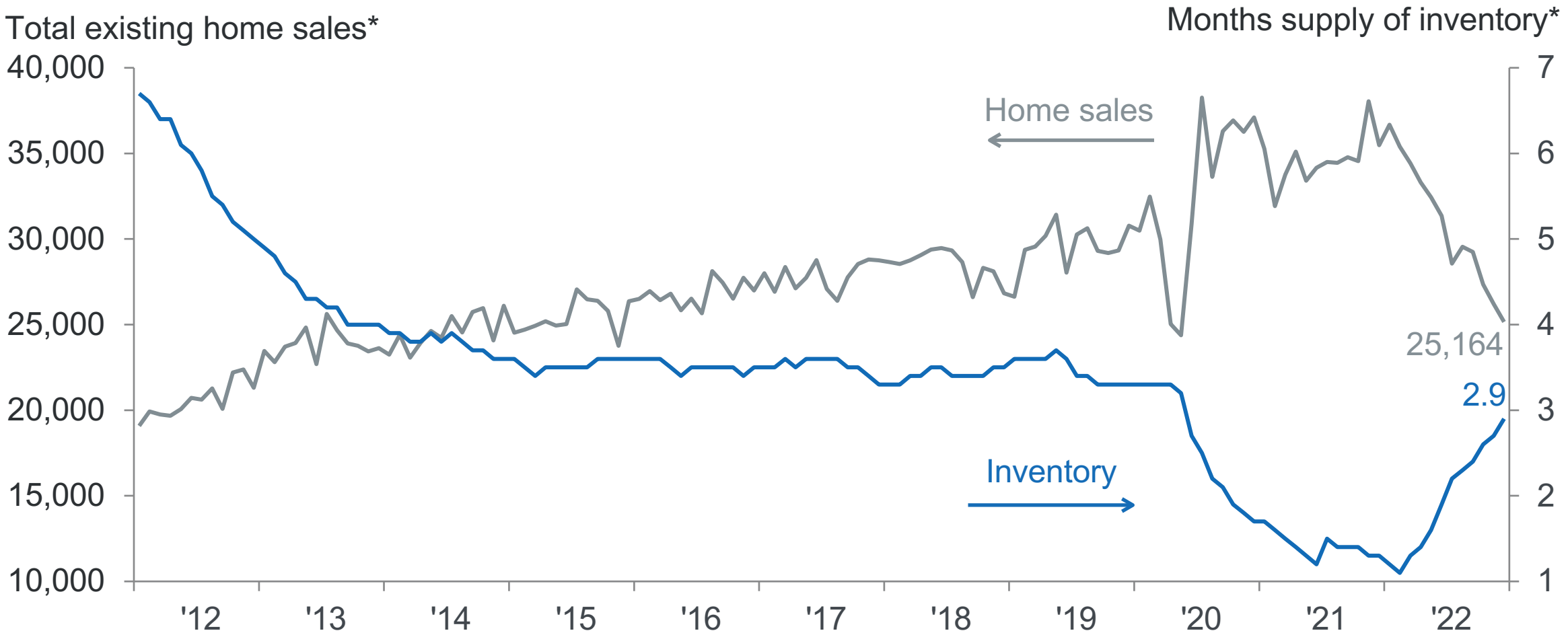


\*Seasonally adjusted.

NOTE: Data through Feb. 2022.

SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.

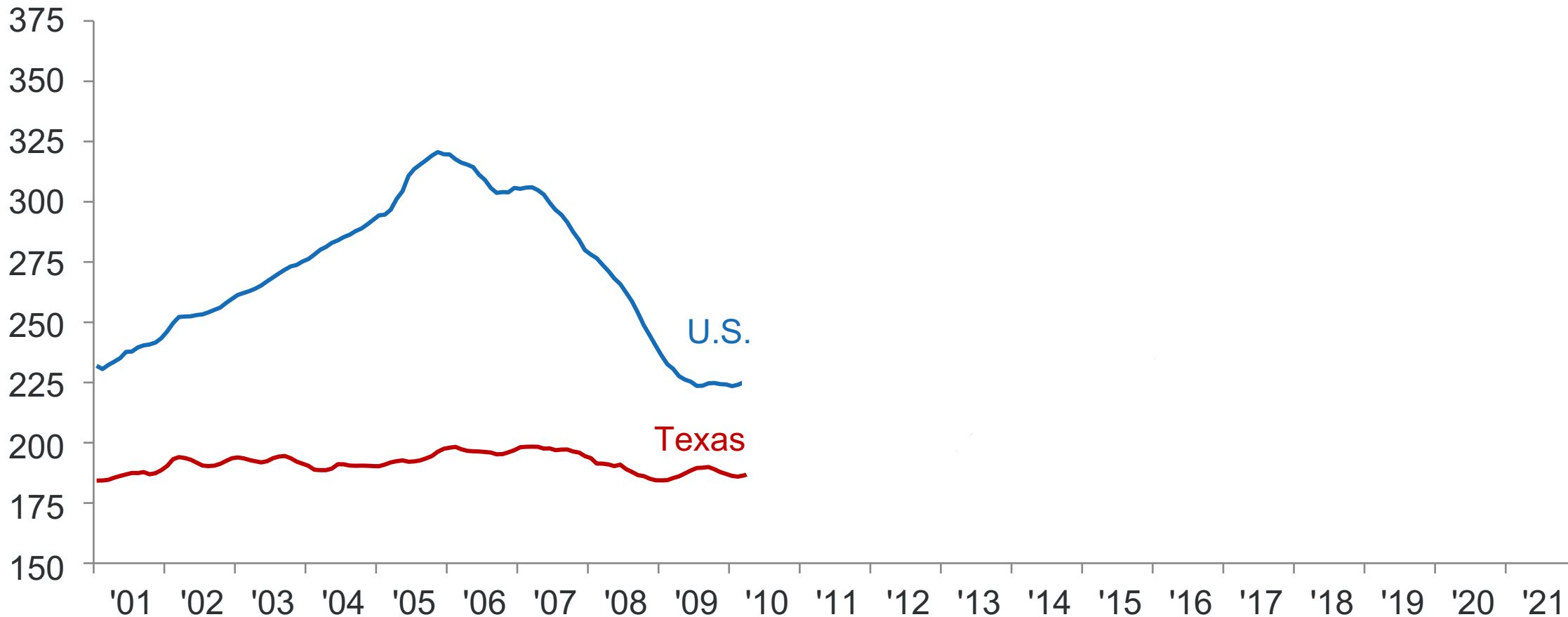
# Both Have Largely Returned to Pre-COVID Levels



\*Seasonally adjusted.  
 NOTE: Data through December 2022.  
 SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.

# Typically, Texas Home Prices Don't Mirror US "Boom-Busts"

Real dollars (thousands), four-month moving average\*



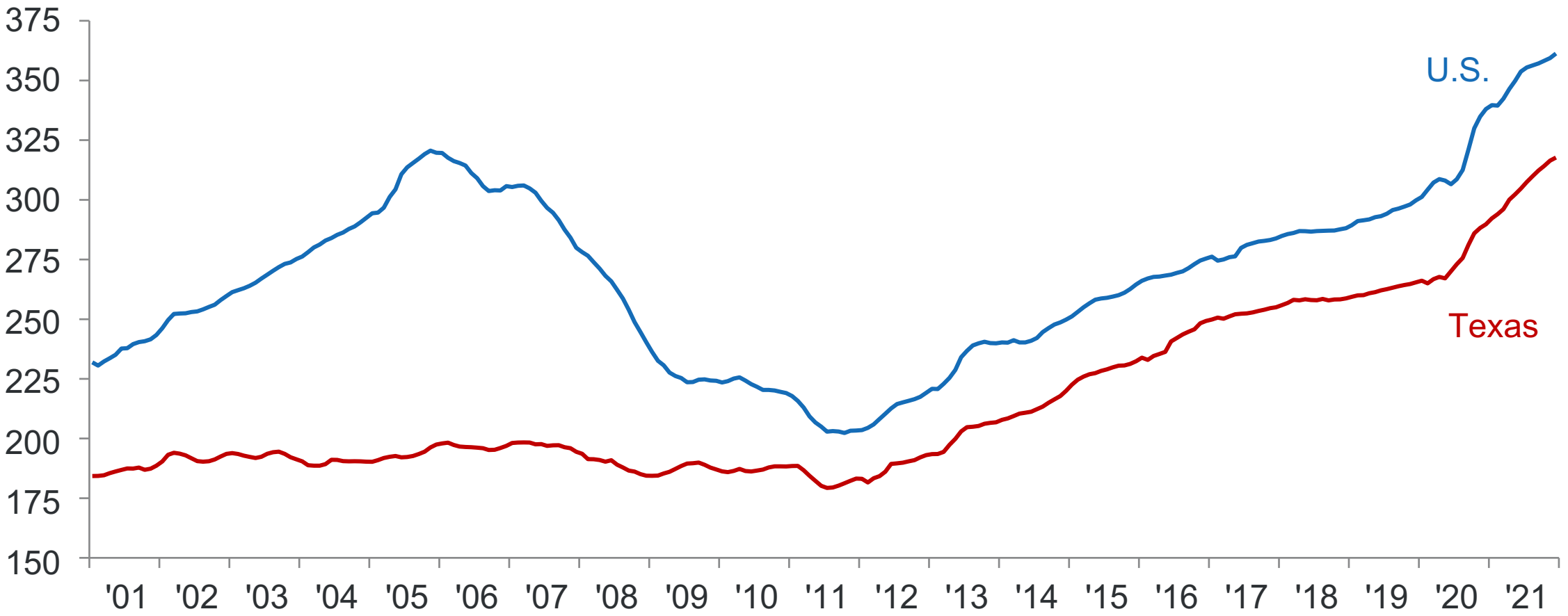
\*Seasonally adjusted, real dollars.

NOTE: Data through Dec. 2021.

SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.

# This Time, Texas Housing Prices Rise in Tandem with US...

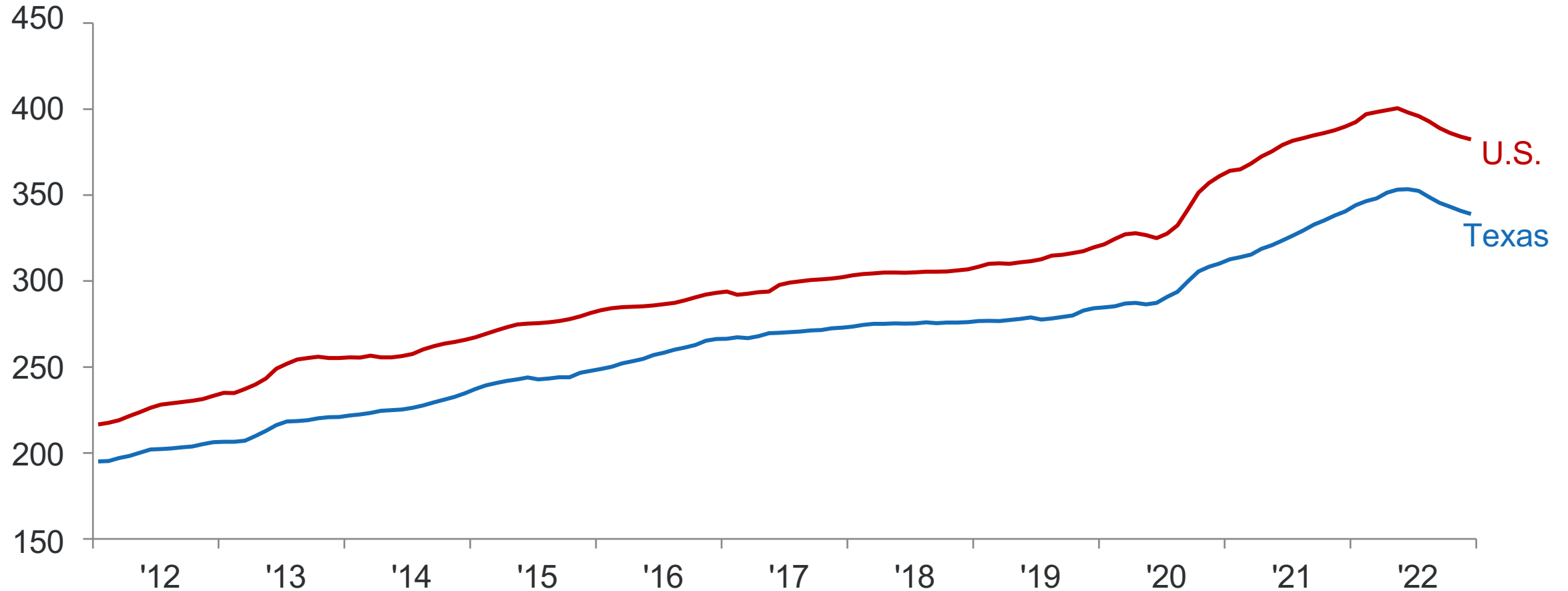
Real dollars (thousands), four-month moving average\*



\*Seasonally adjusted, real dollars.  
NOTE: Data through Dec. 2021.  
SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.

# ...And Have Moderated in Lockstep in Recent Months

Real dollars (thousands), four-month moving average\*



\*Seasonally adjusted, real dollars. Austin, San Antonio, and DFW data is from December; Houston data is from November.

NOTE: Data through December 2022.

SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.

# Major Metros All Down, But Not Equally...

Metro Area	Median Price	Year-over-year Percent Change
<b>Austin</b>	\$478,157	-8.8%
<b>Houston</b>	\$336,262	-0.4%
<b>San Antonio</b>	\$321,976	-1.2%
<b>Dallas-Fort Worth</b>	\$396,884	-0.1%

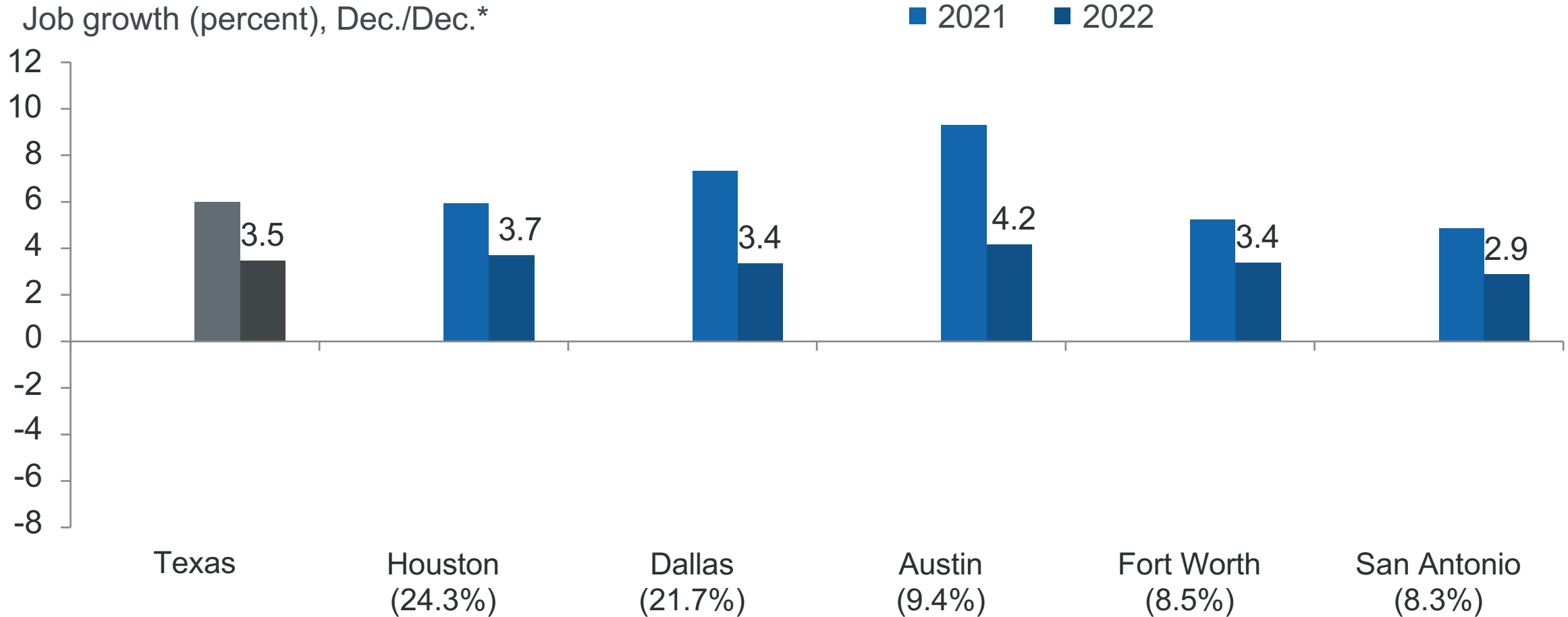
\*Seasonally adjusted, real dollars. Austin, San Antonio, and DFW data is from December; Houston data is from November.

NOTE: Data through December 2022.

SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.



# ...As Austin's Red-Hot Job Growth Has Cooled



\*Seasonally adjusted, annualized rate.

NOTE: Numbers in parenthesis indicate share of state employment for most recent monthly data.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by FRB Dallas.

DATA: <https://www.dallasfed.org/research/econdata/tx-emp.aspx#tab3>

# Summary and Conclusion

- Home inventories and home sales have returned to more normal levels
- Median prices have retrenched a bit, though in real terms they remain well above decade-ago levels
- Unclear whether TX and major-metro housing markets will henceforth behave more similarly to the nation's than they once did
- Affordability remains an issue, with supply scarcest at the inexpensive end of the market