



**Bernstein  
Realty**

Relocation  
newsletter

**January 2014**

## **The Houston Real Estate Market Zooms into Record Territory in 2013**

**December home sales help push the year's total dollar volume to an all-time high and inventory to an all-time low**



**Mary Piper**

Director of Relocation and  
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The Houston real estate market ended 2013 as it began: in the fast lane. Surging home sales throughout Greater Houston were largely driven by the addition of more than 86,000 jobs that drew buyers and renters from all around the country and world. December marked the 31st straight month of positive home sales and was a month in which prices again rose and housing inventory shrunk to new record lows.

According to the latest monthly data prepared by the Houston Association of REALTORS® (HAR), December single-family home sales increased 14.3 percent versus December 2012. Contracts closed on 5,813 homes, driving inventory down to 2.6 months supply, the lowest level of all time.

All housing segments saw gains in December except for the low end of the market-those homes priced at \$80,000 and below. Homes priced from \$250,000 and above registered the highest sales volume and accounted for another hike in prices.

"The Houston housing market had its best year on record in 2013, and those of us who work in real estate have never been busier," said HAR Chair Chaille Ralph with Heritage Texas Properties. "Stewart Title Chief Economist and former HAR Chairman Dr. Ted C. Jones forecasts positive sales to continue in the new year, but at a slower pace. He anticipates about a 5 percent increase in home sales and a 6 percent gain in pricing. However, all that hinges on having homes to sell, and the local inventory is running extremely low."

The single-family home average price rose 10.3 percent year-over-year to \$265,017 while the median price-the figure at which half of the homes sold for more and half sold for less-rose 10.9 percent to \$188,500. Both figures represent historic highs for a December in Houston.

Sales of foreclosure properties continued their year-long decline, falling 48.8 percent compared to December 2012, according to the HAR Multiple Listing Service (MLS). Foreclosures currently make up 6.5 percent of all property sales reported through the MLS, one-third of the share they comprised at the beginning of 2013. The median price of December foreclosures increased 8.3 percent to \$91,000.

December sales of all property types in Houston totaled 6,987, a 14.2 percent increase over the same month last year. Total dollar volume for properties sold in December soared 24.2 percent to \$1.8 billion versus \$1.4 billion a year earlier.

### **2013 Annual Market Comparison**

The Houston housing market concluded calendar year 2013 with strong gains in sales volume and pricing versus 2012. The heaviest one-month sales volume of the year was recorded in May, with 7,705 closings. By contrast, the lightest one-month sales volume of 2013 took place in January, with 3,889 closings. However, January also marked the greatest year-over-year percentage sales increase, with a 28.0 percent gain over January 2012.

Single-family home sales rose 17.4 percent for the year and sales of all property types increased 18.8 percent. On a year-to-date basis, the average price climbed 10.3 percent to \$248,591 while the median



**Amy Bernstein**

President

**Bernstein Realty**, your full service real estate company since 1985, has been proudly serving Houston and its surrounding suburbs with the following services:

- Residential Sales (new construction & resale)
- Leasing
- Apartment Leasing
- Temporary Lodging
- Corporate Relocation
- Property Management
- Cultural Mentoring
- Customized Relocation Packets
- Broker Market Analysis

price increased 9.4 percent to \$180,000. Total dollar volume for full-year 2013 reached a record high, jumping 30.2 percent to nearly \$21 billion compared to \$16 billion in full-year 2012.

CATEGORIES	FULL-YEAR 2012	FULL-YEAR 2013	CHANGE
Single-family home sales	62,374	73,232	17.4%
Total property sales	74,116	88,059	18.8%
Total dollar volume	\$16,040,186,637	\$20,891,392,084	30.2%
Single-family average sales price	\$225,330	\$248,591	10.3%
Single-family median sales price	\$164,500	\$180,000	9.4%

#### December Monthly Market Comparison

December delivered positive results across all sales categories compared to December 2012. On a year-over-year basis, total property sales, total dollar volume and average and median pricing were all on the rise. Active listings, or the number of available properties, at the end of December declined 16.1 percent from December 2012 to 28,147.

Housing inventory in Houston has been below a four-month supply since November 2012. It fell below a three-month supply in November 2013, dropping in December to a 2.6-month supply from 3.7 months a year earlier. That is the lowest level ever recorded locally. Inventory consisting of a 6.0-month supply is typically regarded as constituting a balanced real estate market. For perspective, the national inventory of single-family homes is 5.1 months of supply, according to the National Association of REALTORS® (NAR).

CATEGORIES	December 2012	December 2013	Change
Total property sales	6,116	6,987	14.2%
Total dollar volume	\$1,428,784,358	\$1,774,274,690	24.2%
Total active listings	33,554	28,147	-16.1%
Total pending sales	3,087	3,122	1.1%
Single-family home sales	5,086	5,813	14.3%
Single-family average sales price	\$240,326	\$265,017	10.3%
Single-family median sales price	\$170,000	\$188,500	10.9%
Months inventory*	3.7	2.6	-29.0%

\* 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.

#### Single-Family Homes Update

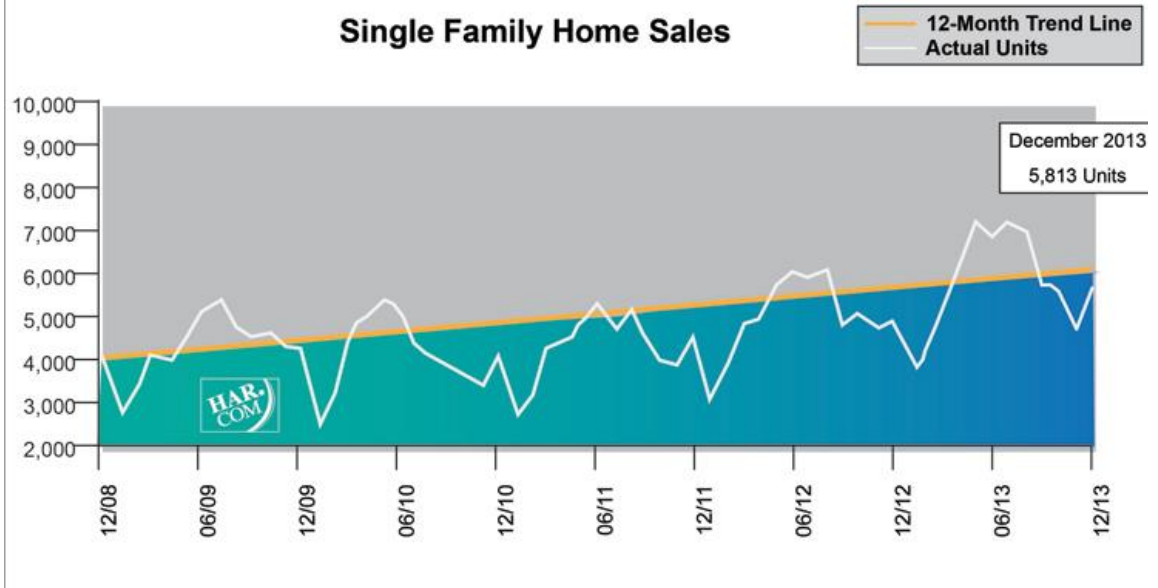
December sales of single-family homes in Houston totaled 5,813, up 14.3 percent from December 2012. That marks the 31st consecutive monthly increase.

- Multi-lingual Agents

For complimentary relocation packets, service proposals or more information please contact:

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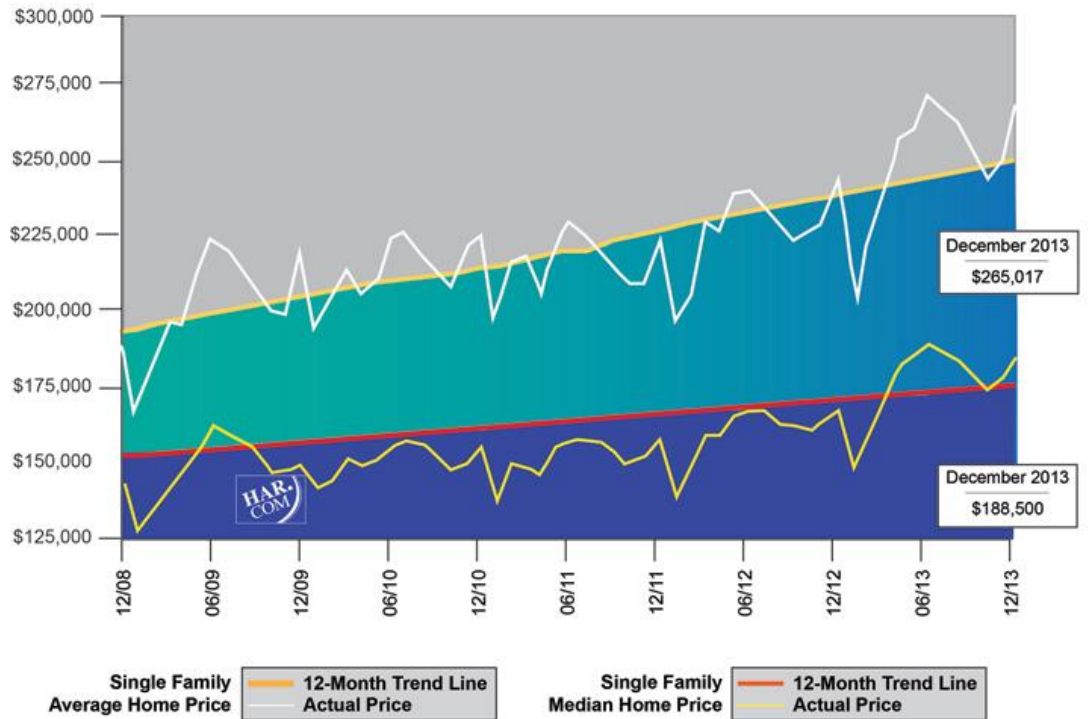
### Single Family Home Sales



Broken out by housing segment, December sales performed as follows:

- \$1 - \$79,999: decreased 29.4 percent
- \$80,000 - \$149,999: decreased 7.7 percent
- \$150,000 - \$249,999: increased 19.6 percent
- \$250,000 - \$499,999: increased 40.7 percent
- \$500,000 - \$1 million and above: increased 29.8 percent

### Single Family Average Home Price & Single Family Median Home Price



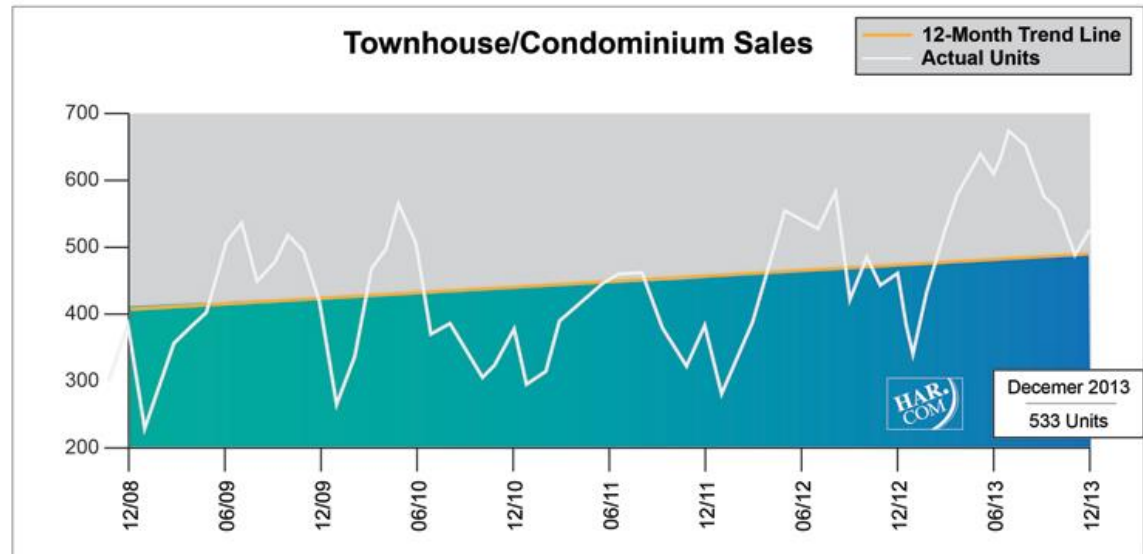
The average price of a single-family home rose 10.3 percent from last year to \$265,017, the highest level ever for a December in Houston. At \$188,500, the median sales price for single-family homes also achieved an historic high for December, up 10.9 percent year-over-year.



HAR also breaks out the sales performance of existing single-family homes throughout the Houston market. In December 2013, existing home sales totaled 4,890, a 17.9 percent increase from the same month last year. The average sales price rose 11.9 percent year-over-year to \$248,072. The median sales price increased 11.4 percent to \$171,500.

### Townhouse/Condominium Update

December sales of townhouses and condominiums jumped 15.4 percent from one year earlier. A total of 533 units sold last month versus 462 properties in December 2012. The average price increased 9.4 percent to \$210,138 while the median price was flat at \$155,350. Supply of inventory plunged 39.4 percent year-over-year to 2.5 months compared to 4.2 months in December 2012.



### Lease Property Update

December demand was hot for Houston's lease property market. Rentals of single-family homes rose 7.8 percent compared to December 2012, while year-over-year townhouse/condominium rentals increased 9.8 percent. The average rent among single-family lease homes remained stable throughout the year, recorded at \$1,612 in December. The December average rent for a townhouse/condominium rose 12.0 percent to \$1,476 per month.

### Houston Real Estate Milestones in December

- Single-family home sales increased 14.3 percent year-over-year, accounting for the market's 31st consecutive monthly increase;
- Total dollar volume jumped 24.2 percent, increasing from \$1.4 billion to \$1.8 billion on a year-over-year basis;
- At \$265,017, the single-family home average price reached the highest level for a December in Houston;
- At \$188,500, the single-family home median price also reached a December high for Houston;
- A 2.6-month supply of inventory of single-family homes is the lowest level of all time and is lower than the national average of 5.1 months;
- 2.9 months inventory of single-family homes is down from 3.1 months in October 2013 and from 4.1 months in November 2012 while comparing to the national average of 5.0 months;
- Sales of townhouses/condominiums rose 15.4 percent year-over-year;
- Single-family home rentals rose 7.8 percent compared to December 2012 while rentals of townhouses/condominiums climbed 9.8 percent.



## Houston's 50 Most Influential Women of 2013

Bernstein Realty are pleased to announce that Amy Bernstein, the Broker and Owner of the company, has been recognized by Houston Woman Magazine as one of Houston's 50 Most Influential Women of 2013. This recognition is well deserved and we appreciate Amy's dedication to the real estate industry and her leadership of Bernstein Realty since 1985.

## Houston Area Dominates Top Master-Planned Communities List Again

Houston dominated the nation in the number of top-selling master-planned communities in the nation for 2013, with eight Houston communities making the list.

John Burns Real Estate Consulting, the firm that compiled the report, noted that Houston consumers valued master-planned communities due to the lack of zoning outside of them.

The top contender for the Houston area was Cinco Ranch, moving up a spot on the list this year to No. 3, with 845 homes sold in 2013. Riverstone, located near Sugar Land, sold 791 homes, ranking No. 6 on the list, followed by the Woodlands, which ranked No. 8 and sold 649 homes.

Also among the top 20 communities, Canyon Lakes West in Cypress reported the largest annual increase - 99 percent - in home sales, followed by Cross Creek Ranch in Fulshear, which had a 69 percent net sales increase over 2012.

1. THE VILLAGES in The Villages, Fla.
2. THE IRVINE RANCH in Orange County, Calif.
3. CINCO RANCH in Katy, Texas
4. MOUNTAIN'S EDGE in Las Vegas
5. NOCATEE in Ponte Vedra, Fla.
6. RIVERSTONE in Fort Bend County
7. PROVIDENCE in Las Vegas
8. THE WOODLANDS in the Woodlands
9. LAKEWOOD RANCH in Sarasota, Fla.
10. ALAMO RANCH in San Antonio
11. STAPLETON in Denver
12. SUMMERLIN in Las Vegas
13. CROSS CREEK RANCH in Fulshear
14. LAKE NONA in Orlando, Fla.
15. ALIANA in Fort Bend County
16. WOODFOREST in Montgomery, Texas
17. SIENNA PLANTATION in Houston
18. CANYON LAKES WEST in Cypress, Texas
19. BRAMBLETON in Ashburn, Va.
20. VALENCIA in Los Angeles



Courtesy of the Houston Business Journal

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