



**Bernstein
Realty**

Relocation
newsletter

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Buying Continues Despite a Shrinking Supply of Homes in Houston

Home sales and prices rose for another month in February

Despite the lowest supply of homes for sale that the Houston housing market has ever seen, enough consumers purchased real estate in February to keep sales in positive territory for the 33rd straight month. That ever-shrinking housing inventory continues to push prices up in a basic display of supply and demand.

According to the latest monthly report prepared by the Houston Association of REALTORS® (HAR), home sales climbed 8.3 percent year-over-year, with February single-family home sales totaling 4,765. That represents a larger one-month volume of home sales than the market experienced in January, but is down from the average one-month volume recorded in 2013.

The supply of homes has held at 2.6 months of inventory since December, however that is down compared to the 3.6-month supply in February 2013 and dramatically lower than the national figure of 4.9 months of inventory.

The average price of a single-family home increased 12.5 percent year-over-year to \$247,534. The median price—the figure at which half the homes sold for more and half for less—rose 11.7 percent to \$181,500. Both figures represent the highest prices for a February in Houston.

The single-family home segments priced from \$150,000 and above experienced sales growth in February, however both segments below the \$150,000 price-point declined.

"We continue to experience sales momentum from late 2013, but based on the diminished supply of homes in the Houston area and a slight decline in February's pending sales, we are likely to see the pace of sales slow down in the next month or so," said HAR Chair Chaille Ralph with Heritage Texas Properties. "New home construction under way throughout our market should help meet the demand, and lease properties continue to give buyers other options until more homes are available for purchase."

Foreclosure property sales reported in the HAR Multiple Listing Service (MLS) continued to decline, dropping 44.0 percent compared to February 2013. Foreclosures now comprise 8.6 percent of all property sales, down from a 15.8 percent share a year earlier. The median price of foreclosures edged up 3.2 percent to \$86,700.

February sales of all property types totaled 5,810, an 8.9-percent increase over the same month last year. Total dollar volume for properties sold rose 22.5 percent to \$1.4 billion versus \$1.1 billion a year earlier.

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February Monthly Market Comparison

The Houston housing market experienced advances in total property sales, total dollar volume and average and median pricing when compared to February 2013.

Month-end pending sales totaled 3,777, a 2.6 percent decline versus last year, which is seen to portend a slightly lower volume of sales when the March numbers are analyzed. Active listings, or the number of available properties, at the end of February fell 16.7 percent to 27,798.

Houston's inventory of available homes has held steady at a 2.6-month supply since December 2013, but is down from the 3.6 months of supply one year ago. The inventory of single-family homes across the U.S. currently stands at 4.9 months, according to the National Association of Realtors' latest report.

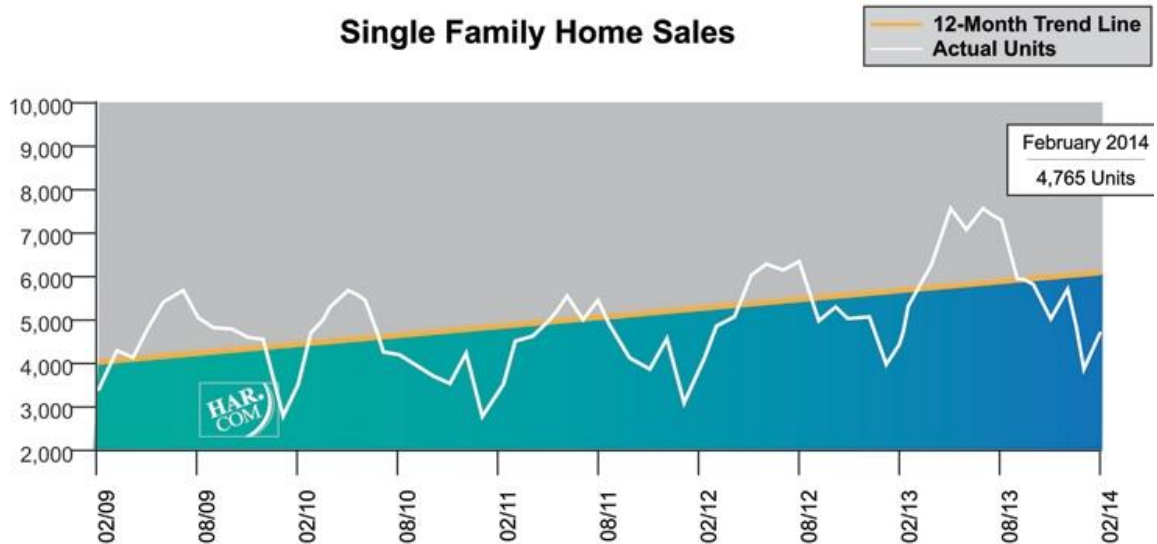
CATEGORIES	February 2013	February 2014	Change
Total property sales	5,333	5,810	8.9%
Total dollar volume	\$1,121,054,005	\$1,372,917,225	22.5%
Total active listings	33,361	27,798	-16.7%
Total pending sales	3,877	3,777	-2.5%
Single-family home sales	4,398	4,765	8.3%
Single-family average sales price	\$220,014	\$247,534	12.5%
Single-family median sales price	\$162,500	\$181,500	11.7%
Months inventory*	3.6	2.6	-27.8%

* 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

February sales of single-family homes in Houston totaled 4,765. That is up 8.3 percent from February 2013 and marks the 33rd consecutive monthly increase.

Home prices reached the highest levels ever recorded for a February in Houston. The single-family median price climbed 11.7 percent from last year to \$181,500 and the average price jumped 12.5 percent year-over-year to \$247,534.

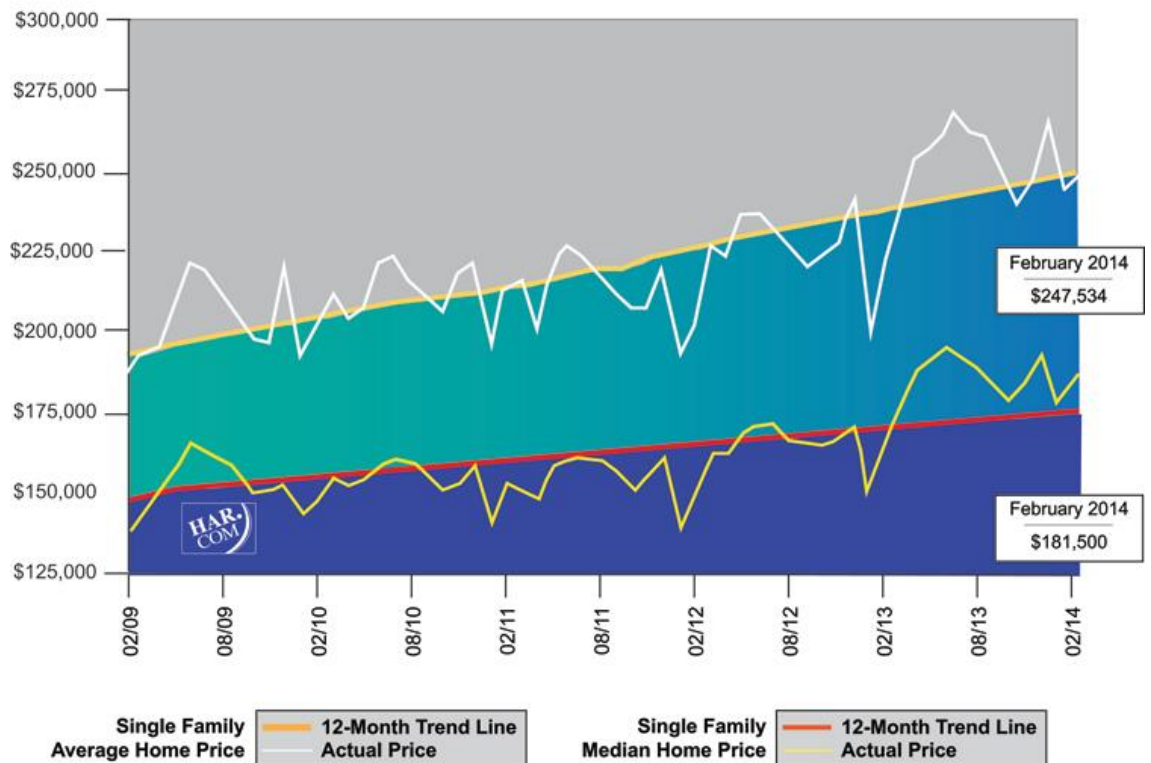


Broken out by housing segment, February sales performed as follows:

- \$1 - \$79,999: decreased 31.0 percent
- \$80,000 - \$149,999: decreased 6.8 percent
- \$150,000 - \$249,999: increased 17.7 percent
- \$250,000 - \$499,999: increased 33.3 percent
- \$500,000 - \$1 million and above: increased 40.0 percent



Single Family Average Home Price & Single Family Median Home Price



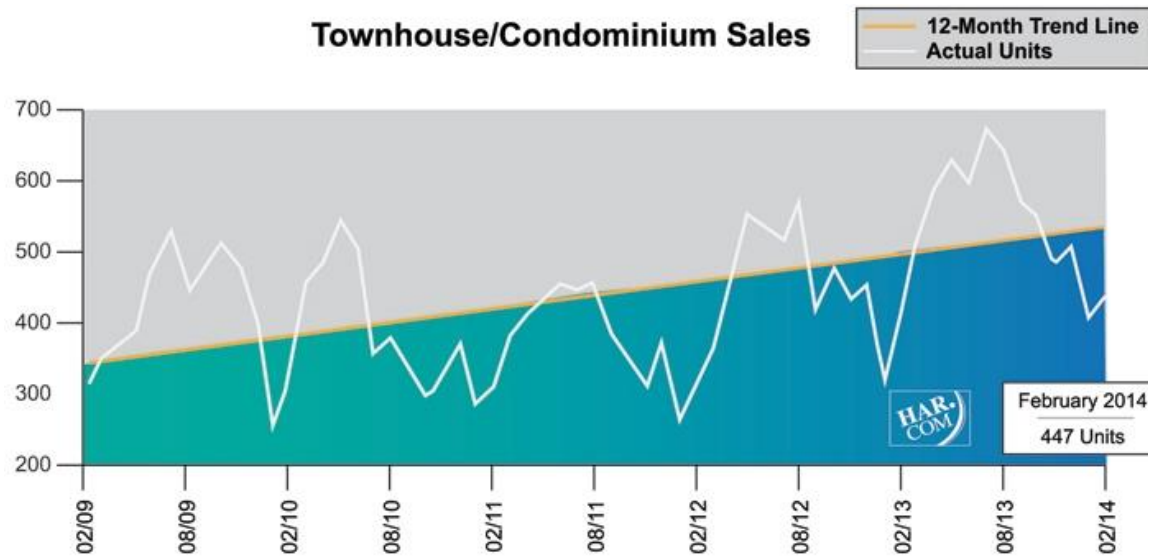
HAR also breaks out the sales performance of existing single-family homes throughout the Houston market. In February 2014, existing home sales totaled 4,071, a 10.4 percent increase from the same month last year. The average sales price rose 13.6 percent year-over-year to \$232,603 while the median sales price increased 13.3 percent to \$170,000.

Townhouse/Condominium Update

February sales of townhouses and condominiums rose 5.2 percent from one year earlier. A total of 447 units sold last month compared to 425 properties in February 2013. The average price was up 7.5 percent to \$179,281 and the median price increased 6.5 percent to \$140,000. Inventory dropped to a 2.6 months supply versus a 4.1 months supply in February 2013.



Townhouse/Condominium Sales



Lease Property Update

Houston's lease property market showed continued growth in February. Rentals of single-family homes jumped 19.2 percent compared to February 2013 while year-over-year townhouse/condominium rentals rose 4.3 percent. The average rent for a single-family home increased 5.2 percent to \$1,590 and the average rent for a townhouse/condominium rose 6.1 percent to \$1,481.

Houston Real Estate Milestones in February

- Single-family home sales increased 8.3 percent year-over-year, resulting in the market's 33rd consecutive monthly increase;
- Total property sales rose 8.9 percent compared to one year earlier;
- Total dollar volume soared 22.5 percent, increasing from \$1.1 billion to \$1.4 billion on a year-over-year basis;
- At \$181,500, the single-family home median price reached the highest level for a February in Houston;
- At \$247,534, the single-family home average price also reached a February high;
- A 2.6-month supply of inventory of single-family homes is unchanged from December but down from a 3.6-month supply in February 2013 while comparing to the national average of 4.9 months;
- Sales of townhouses/condominiums grew 5.2 percent year-over-year;
- Rentals of single-family homes rose 19.2 percent while rentals of townhouse/condominium units rose 4.3 percent.

Courtesy of Har.com



NerdWallet Names the Woodlands Top "City on the Rise" in Texas

The Woodlands is the fastest-growing city in Texas, according to economic research company NerdWallet.

The website analyzed U.S. Census data from 126 cities and census-designated places to produce a list of 20 that have experienced the strongest job and population growth between 2009 and 2012.

The Woodlands came out on top, with by far the strongest boom in its working-age population, more than 60 percent in four years. According to the Woodlands Development Co., a wholly owned subsidiary of Dallas-based Howard Hughes Corp., the community's population stood at 105,283 in 2013.

Recent census estimates have also ranked Montgomery County, where the Woodlands is located, among the 30 fastest growing counties in the country.

While its population had a massive increase, the master-planned community's growth in actual employment (3.6 percent) and median income (9 percent) were closer to the middle of the list.

The website noted Irving, Texas-based Exxon Mobil Corp.'s massive campus under construction south of the Woodlands, and its additional lease of 478,000-square-foot lease in Hughes Landing, and the Grand Parkway in 2015 to help shuttle more workers to the community.

Courtesy of The Houston Business Journal

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