



**Bernstein
Realty**

Relocation
newsletter

May 2014

Houston Home Prices Reach Record Highs in April Despite Flat Sales

Low housing inventory ends 34 consecutive months of positive sales

Houston's 34-month positive sales streak came to an end in April, reflecting the extremely tight supply of available housing. Despite the unchanged year-over-year sales volume, homes that did sell pushed pricing to the highest level of all time.

According to the latest monthly report prepared by the Houston Association of Realtors (HAR), home sales were unchanged from a year earlier, with April single-family home sales totaling 6,438. That is the largest one-month sales volume recorded since last August.

The supply of homes has remained at 2.6 months of inventory since December. However, it is down from the 3.4-month supply in April 2013 and markedly lower than the national supply of 5.2 months of inventory.

The average price of a single-family home increased 7.0 percent year-over-year to \$270,505. The median price—the figure at which half the homes sold for more and half for less—rose 5.4 percent to \$195,000. Both pricing figures represent record highs for Houston.

Single-family homes priced from \$250,000 through the millions saw the greatest sales activity and accounted for the latest jump in prices. Homes priced at \$150,000 and below experienced declines.

"It doesn't come as a huge surprise that April sales were flat given our depleted housing inventory and the fact that sales last year at this time were virtually off the chart," said HAR Chair Chaille Ralph with Heritage Texas Properties. "We also believe consumers may be waiting for more homes to hit the market in the price range they can afford before taking action. Many continue to rent in the interim, as reflected in our April report showing a further increase in single-family and townhome/condominium rentals."

Foreclosure property sales reported in the HAR Multiple Listing Service (MLS) declined again, falling 43.7 percent compared to April 2013. Foreclosures now comprise 6.1 percent of all property sales, down from a 10.4 percent share a year earlier. The median price of foreclosures rose 8.5 percent to \$90,084.

April sales of all property types totaled 7,857, statistically flat compared to the same month last year. Total dollar volume for properties sold rose 6.6 percent to \$2 billion versus \$1.8 billion a year earlier.

April Monthly Market Comparison

Despite no gains in total property sales for the month, total dollar volume and average and median pricing rose when compared to April 2013.

Month-end pending sales totaled 4,806, a 3.9 percent decline versus last year, which might suggest an environment of slower sales until inventory levels pick up. Active listings, or the number of available properties, at the end of April tumbled 13.5 percent to 28,114.



Mary Piper

Director of Relocation
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Amy Bernstein

President

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- Leasing
- Apartment Leasing
- Temporary Lodging
- Corporate Relocation
- Property Management
- Cultural Mentoring
- Customized Relocation Packets
- Broker Market Analysis
- Multi-lingual Agents

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

Houston's housing inventory has held steady at a 2.6-month supply since December 2013, but is down from the 3.4 months of supply one year ago. The inventory of single-family homes across the U.S. currently stands at 5.2 months, according to the latest report from the National Association of Realtors.

CATEGORIES	April 2013	April 2014	Change
Total property sales	7,806	7,857	0.7%
Total dollar volume	\$1,872,367,656	\$1,996,240,808	6.6%
Total active listings	32,498	28,114	-13.5%
Total pending sales	4,999	4,806	-3.9%
Single-family home sales	6,419	6,438	0.3%
Single-family average sales price	\$252,725	\$270,505	7.0%
Single-family median sales price	\$185,000	\$195,000	5.4%
Months inventory*	3.4	2.6	-21.9%

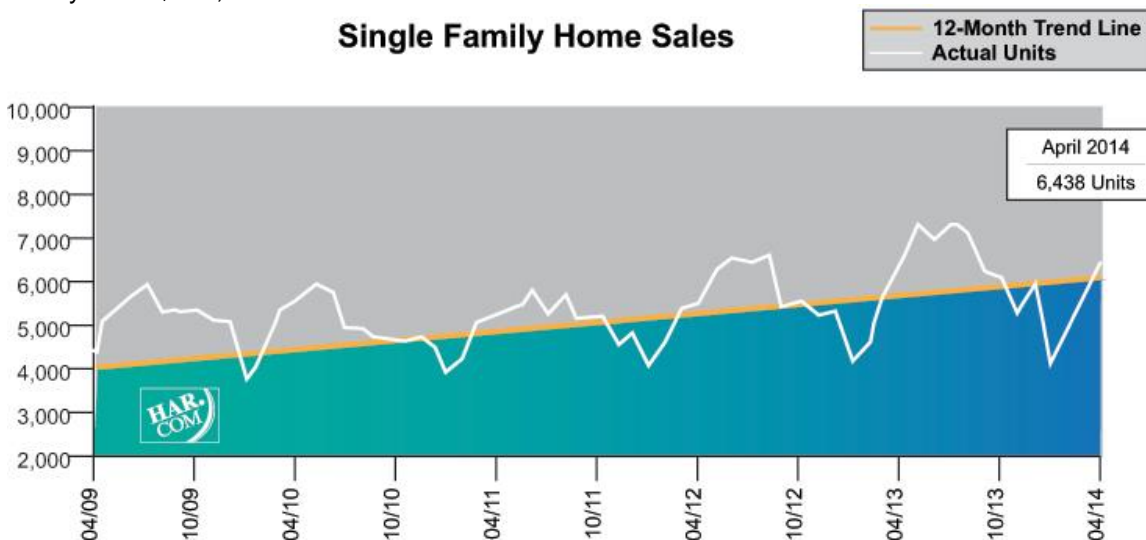
* Months inventory estimates the number of months it will take to deplete current active inventory based on the prior 12 months sales activity. This figure is representative of the single-family homes market.

Single-Family Homes Update

April sales of single-family homes in Houston totaled 6,438. That is statistically unchanged from April 2013 and effectively ends the market's record run of 34 consecutive months of increased sales. It also represents the greatest one-month sales volume since August 2013.

Home prices reached the highest levels of all time in Houston. The single-family median price climbed 5.4 percent from last year to \$195,000 and the average price jumped 7.0 percent year-over-year to \$270,505.

Single Family Home Sales

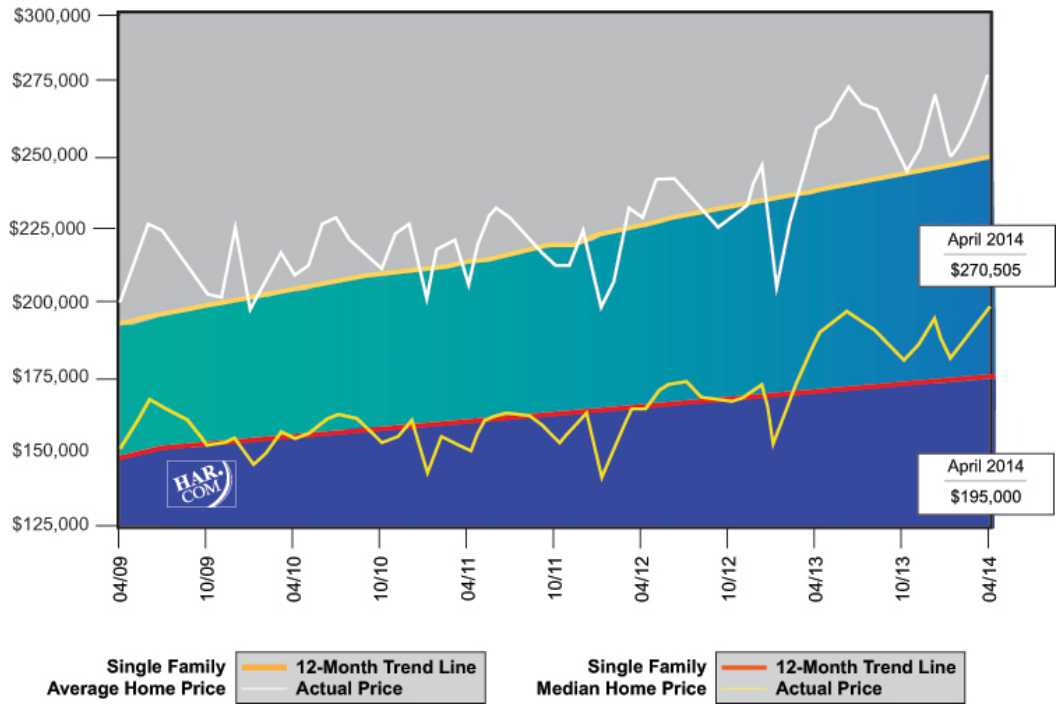


Broken out by housing segment, March sales performed as follows:

- \$1 - \$79,999: decreased 33.4 percent
- \$80,000 - \$149,999: decreased 6.3 percent
- \$150,000 - \$249,999: increased 7.0 percent
- \$250,000 - \$499,999: increased 7.7 percent
- \$500,000 - \$1 million and above: increased 6.0 percent

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Single Family Average Home Price & Single Family Median Home Price

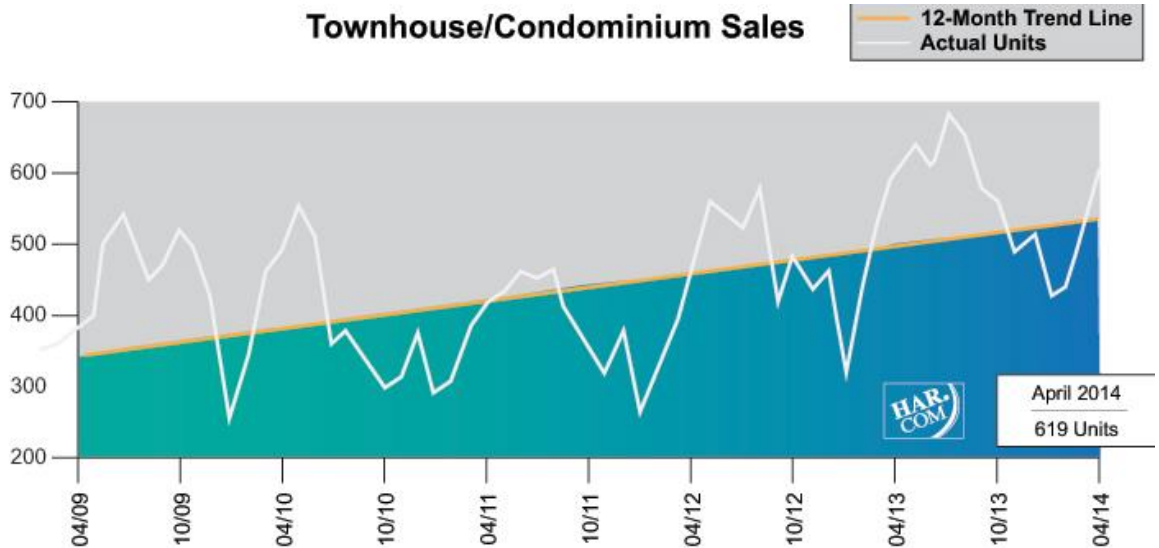


HAR also breaks out the sales performance of existing single-family homes for the Houston market. In April 2014, existing home sales totaled 5,564, a 1.7 percent increase from the same month last year. The average sales price rose 4.7 percent year-over-year to \$252,497 while the median sales price increased 6.7 percent to \$180,000.

Townhouse/Condominium Update

Townhouse and condominium sales in April increased 3.2 percent from one year earlier. A total of 619 units sold last month compared to 600 properties in April 2013. The average price rose 9.2 percent to \$209,434 and the median price increased 14.0 percent to \$159,000. Inventory slid to a 2.7 months supply versus a 3.6 months supply in April 2013.

Townhouse/Condominium Sales



Lease Property Update

Houston's lease property market showed continued strength in April, buoyed by the diminished supply of for-sale properties. Single-family home rentals rose 10.9 percent compared to April 2013 while year-over-year townhouse/condominium rentals climbed 7.8 percent. The average rent for a single-family home increased 4.1 percent to \$1,667 and the average rent for a townhouse/condominium rose 5.1 percent to \$1,477.





Houston Real Estate Milestones in April

- Single-family home sales were statistically flat year-over-year, marking an end to the market's record 34 consecutive months of positive sales;
- Total property sales were also statistically flat compared to one year earlier;
- Total dollar volume increased 6.6 percent, from \$1.8 billion to \$2 billion on a year-over-year basis;
- At \$195,000, the single-family home median price achieved a new record high for Houston;
- At \$270,505, the single-family home average price also reached an all-time high;
- A 2.6-month supply of inventory of single-family homes is unchanged from December 2013, but down from a 3.4-month supply in April 2013, while comparing to the national average of 5.2 months;
- Rentals of single-family homes were up 10.9 percent while rentals of townhouses/condominiums rose 7.8 percent.

Courtesy of Har.com

Bernstein Realty Attends Worldwide Employee Relocation Council®'s National Relocation Conference

Mary Piper recently returned from Orlando, FL after attending the Relocation Directors Council Spring meeting and the Worldwide ERC National Relocation Conference. She enjoyed the educational and collaborative round table sessions and brought back valuable information to share with Bernstein Realty agents and staff. It is always wonderful to have the opportunity to visit with new and old friends, existing clients and meet new clients!

Housing starts up sharply, but that's mostly due to apartments

Is the U.S. becoming a nation of renters?

That's the question posed by April's housing starts data from the U.S. Census Bureau. The totals make it look as if housing is booming - starts were up 13.2 percent in April compared with March, topping 1 million. But single-family starts were up only 0.8 percent, to 649,000. Most of the growth in housing starts came from multifamily units - housing starts for buildings with five or more units totaled 413,000.

This is multifamily housing's largest share of overall housing starts since 1974, MarketWatch notes. Most of these units are rentals.

No wonder single-family home builders are less excited about their prospects.

Lots of factors could be in play here. Many young adults are waiting longer to start families, and many also are burdened by high student loan debt. They're less likely to have the larger down payments that now are required to buy a house.

Plus, urban living has become more attractive, and apartments tend to be more affordable and available in big cities than single-family homes.

Courtesy of the Houston Business Journal

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