

Advantage Report tm September 2024

Houston Single Family Real Estate Market Analysis

Advantage Report is a monthly report detailing the Houston single family residential real estate market. The report is authored by House2House Appraisal LLC principal and owner Matthew Beals. Mr. Beals is a Texas licensed residential real estate appraiser and agent. He holds a BS in Science from OSU and an MBA in economics, finance, and advanced statistical methods from Willamette University. The primary source of data is HARMLS.

Advantage Report is not an appraisal of any kind, it is rather, a Houston single family housing market assessment. You can reach Mr. Beals by email: matt@house2houseappraisal.com

The Advantage Report provides House2HouseAppraisal.com clients a wide and continuous view of the Houston real estate market, allowing a perspective of market condition unmatched anywhere. Fast and fresh, Advantage Report uses a unique proprietary market directional analysis available within days of month end. House2HouseAppraisal calls this method MarketDOT TM

Each month Advantage Report ranks all 38 Sections based on the variables price (median sale price), supply (months inventory), and demand (numbers sold) as measured against the same month the previous year. Price is selected as the priority variable followed by demand and finally supply. In other words, the data is first sorted by price, then by demand, and finally by supply.

For example, the June 2024 report ranked Section 32 Pearland/Friendswood number 1 because it's price increased in 10 of the last 12 months. If more than one section had the same price score they are then separated by demand. If the demand score is the same the section is finally sorted by supply.

			Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Score / 12
32	Pearland / Friendswood	Median Sale Price	-	+	+	+	-	+	+	+	+	+	+	+	10
		Months Inventory	+	+	u	-	+	+	+	+	+	+	+	+	10
		Number of Sales	-	-	-	+	-	-	+	+	+	+	+	-	6

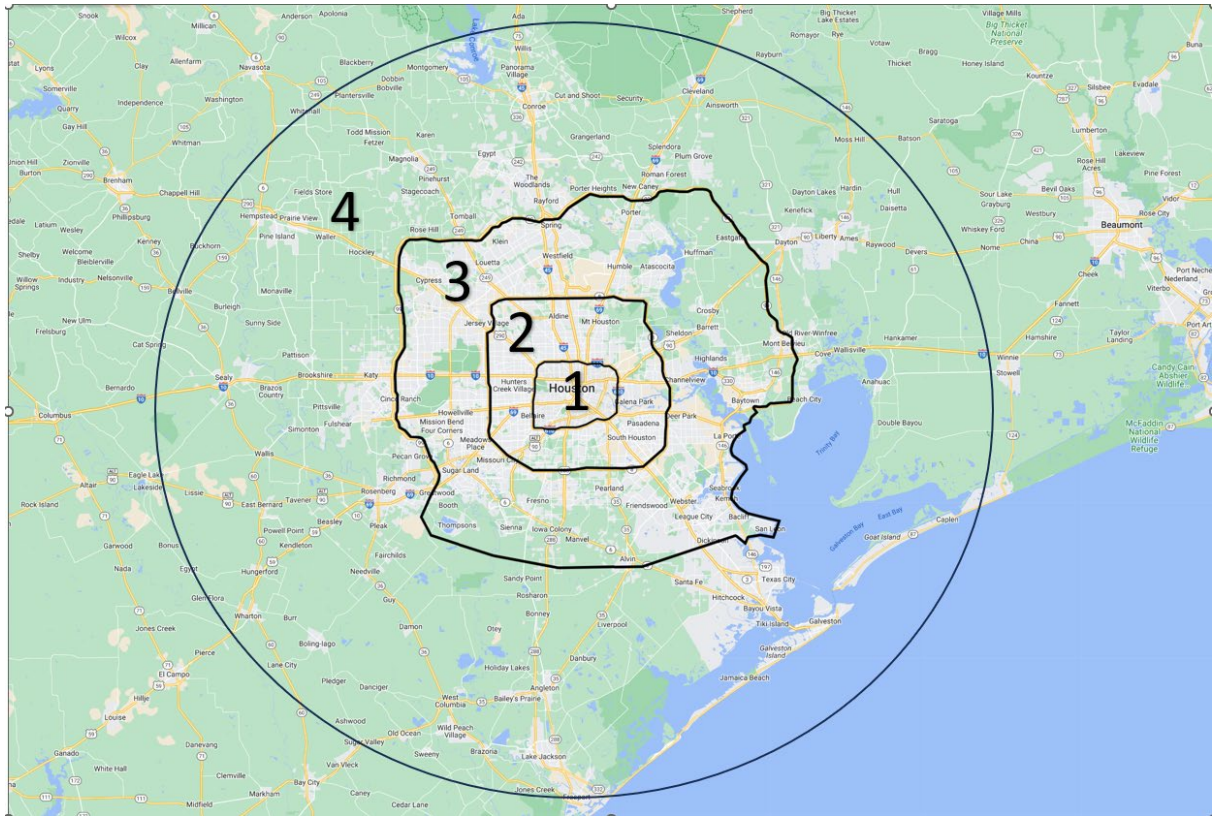
Supply (MI) does affect price outlook just not as much as demand (numbers sold), this is why Pearland/Friendswood can still be ranked number 1 with a relatively high months inventory (supply).

			Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Score / 12
37	The Woodlands / North	Median Sale Price	-	-	-	-	-	-	-	-	-	-	+	-	1
		Months Inventory	u	u	+	+	-	+	-	-	+	+	+	+	7
		Number of Sales	+	+	-	-	+	-	+	+	+	+	u	-	7

Section 37 The Woodlands / North was ranked coincidentally last at 37th place due to the fact it had only one year over year increase in the past 12 months despite having a higher demand and lower supply score. If you determine demand (numbers sold) should be the priority rank then simply enter the score provided on the result page and re-sort the data to produce a new rank by demand.

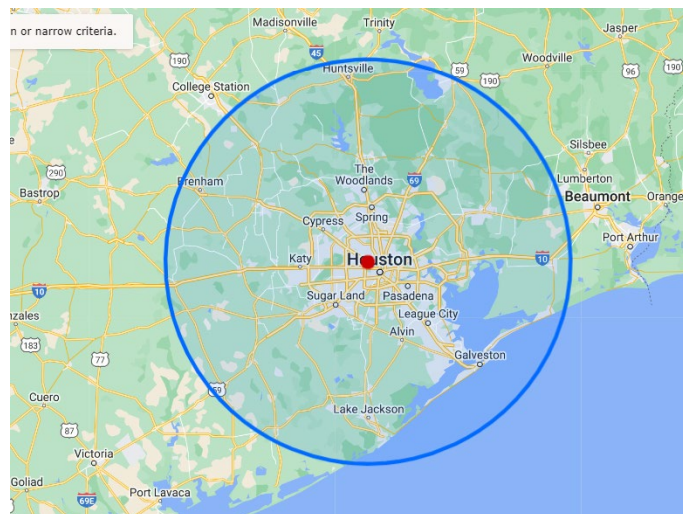
Advantage Report tm Regions

Advantage Report (map below) divides greater Houston into regions 1-4 defined by I-610 (Region 1), Beltway 8 (Region 2), 99 Grand Parkway (Region 3), and a 50 mile radius line (Region 4). Regions 3 and 4 are used to describe the Houston single family market as a whole. Region 4 includes outlying markets such as The Woodlands and Galveston to provide a wide angle view of the greater Houston market.



Houston Market Overall – September 2024

Advantage Report Regions combined into a single 50 mile radius to include all contributing submarkets, produces a single point of perspective for investors and realtors alike. Sold data over the last 25 days (10/11/2024) provides perspective from the up and down motion of the individual sections.



Houston 50 mile radius Numbers Sold Last 21 Days

Status: Sold (4766)

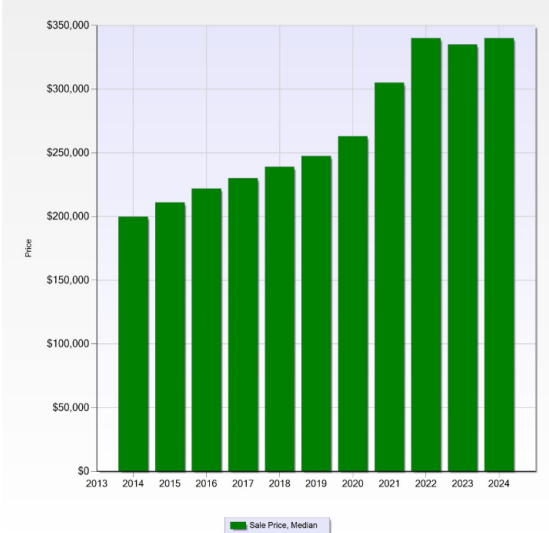
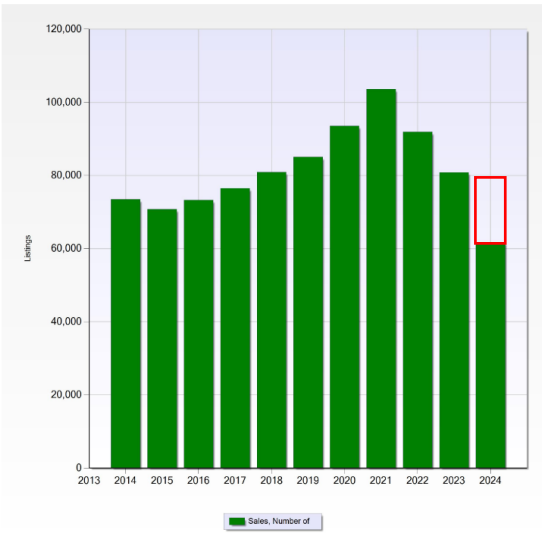
Property Type: Single-Family (4766)

	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt	LP/Acre	Sale Price	Close Price Adj	SP/SqFt	Price Sq Ft Adj Sold	SP/Acre	SP/LP%	SP/OLP%	DOM	CDOM
Min	548				0	0.00		\$29,990	\$22.98	\$15,119.17	\$25,000	\$0	\$21.70	\$0.00	\$13,446.73	39.29%	7.88%		
Max	10,117	8	8	4	2024	227.50	9,910,074	\$7,490,000	\$2,225.19	\$142,500,000.00	\$8,250,000	\$8,250,000	\$2,450.98	\$2,450.98	\$142,500,000.00	143.38%	100000.00%	733	1,243
Avg	2,295	4	2		2002	0.45	17,019	\$435,377	\$183.83	\$2,425,740.34	\$421,919	\$417,412	\$178.06	\$175.83	\$2,367,791.72	96.80%	161.73%	45	72
Median	2,112	4	2		2010	0.18	7,582	\$345,085	\$168.52	\$1,904,725.49	\$336,875	\$330,000	\$163.24	\$160.75	\$1,860,464.04	98.29%	96.14%	27	42

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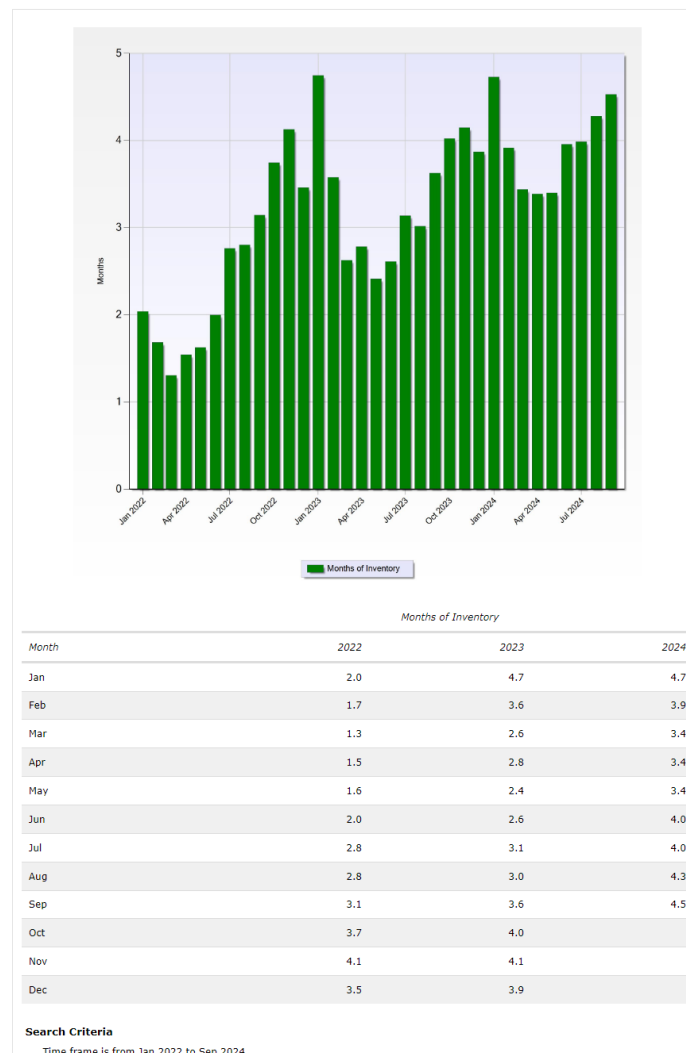
Criteria: Property Type is 'Single-Family'
Status is 'Sold' 10/11/2024 to 09/20/2024
Latitude, Longitude is around 29.81, -95.44
Search Time: 5.16s

Houston 50 mile radius Sales Numbers and Median Sale Price 10 year period



Sales Numbers (Demand) have been declining since 2021. The current sales rate should level out around 80,000 by year end, narrowly avoiding a 10-year low. The good news is that we have likely seen the end to declining demand since the peak of 103,000 homes sold in 2021 returning to levels similar to 2018.

Median Sale Price for the same period peaked in 2022 at \$340,000 followed by a brief decline to \$335,000 in 2023. This year, Median Sale Price returned to \$340,000 and will likely not change between now and year end given the middle tendency of the metric.



Supply (Months Inventory), a highly seasonal report, is trending higher year over year but still below the 6 months textbook standard. Fewer homes being sold produces more available on the active market overall.

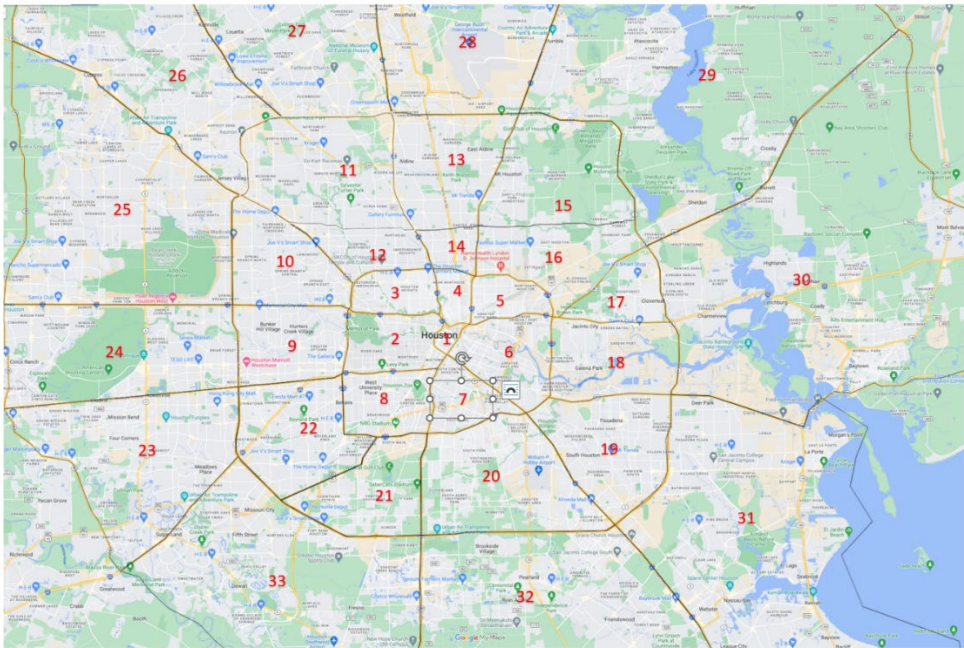
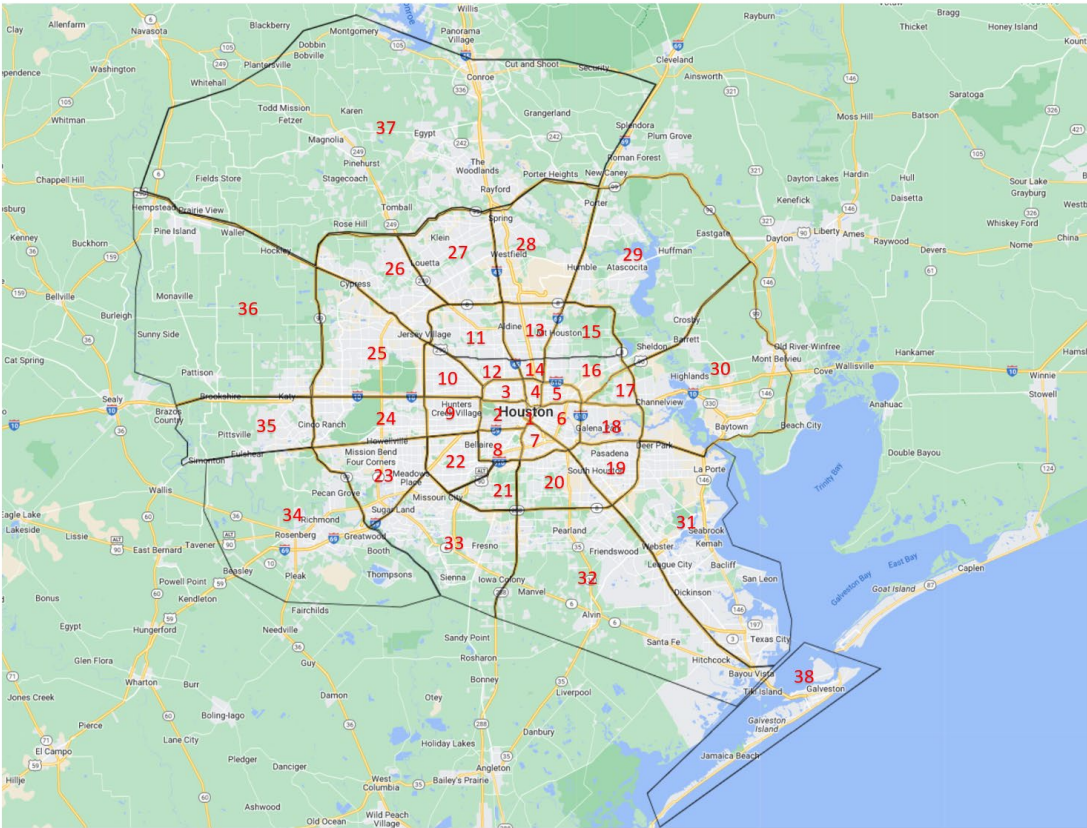
Conclusion

Demand is concluding it's downward trend where it rests at 2018 levels of around 80,000 sales per year. The provided graph above is missing the year end total which needs to be manually added. Supply (MI) is increasing but not enough to have any meaningful influence on price or sales numbers. Expect a decline in price performance in the near term followed by by perportional increases as interest rates return to more acceptable levels.

Dividing Advantage Report Regions into Sections

Advantage Report divides regions into 38 individual sections based on the regional map starting in the Houston Central Business District moving clockwise within Region 1 all the way to Galveston Island in Region 4. Advantage Report sections are made up of multiple subsections containing many economic zones which may or may not behave identically to the rest of the individual macro market section, therefore, caution must be used when making general statements about each section as a whole.

Region	Section	Name
1	1	Central Business District
1	2	East Westheimer/River Oaks
1	3	Houston Heights
1	4	Northside Village
1	5	Kashmere Gardens / NE Houston
1	6	East Downtown / Eastwood
1	7	South Central
1	8	West University / TMC
2	9	Galleria / Memorial
2	10	Spring Branch
2	11	Inwood
2	12	Central Northwest
2	13	Aldine
2	14	North Central
2	15	East Little York
2	16	Trinity Houston Gardens
2	17	Timberwood
2	18	Jacinto City / Galena Park
2	19	Pasadena
2	20	Hobby
2	21	Central Southwest /
2	22	Meyerland / Braeswood
3	23	Mission Bend / Four Corners
3	24	East Cinco Ranch / Memorial
3	25	East Katy
3	26	Cypress
3	27	Champions
3	28	Airport
3	29	Lake Houston
3	30	Baytown
3	31	NASA
3	32	Pearland / Friendswood
3	33	Missouri City / Fresno
4	34	Rosenburg / Greatwood
4	35	West Cinco Ranch
4	36	West Katy
4	37	The Woodlands
4	38	Galveston Island



Ranking Advantage™ Report Sections

Each of the 38 individual sections are tracked month to month using the previously described variables of price (median sale price), supply (months Inventory), and demand (number sold). How many times over the last 12 months has price, supply, and demand increased? Unique to House2HouseAppraisal.com the technique produces a positive or negative direction of travel among each of the variables.

Price, Supply, and Demand

In real estate, the relationship between price, supply, and demand is a key consideration. When demand for properties is high, prices tend to rise as more buyers compete for a limited number of homes. On the other hand, when demand is low, prices usually drop because fewer people are in the market to buy.

Supply works in the opposite way: if many properties are available, prices generally fall since buyers have more options. But when supply is tight, prices go up due to scarcity.

The balance between supply and demand determines the market price. Investors watch these trends closely, aiming to buy when supply is plentiful and demand is low—when prices are likely at their lowest—and sell when supply is limited and demand is high, maximizing returns. Understanding these basic market dynamics helps real estate investors make better decisions about when to enter or exit the market.

Scoring System

How does the scoring system work? The scoring system is first based on change in median sale price over last 12 months. If the section scored a 10 it would be placed in a bucket with all sections that scored a 10. Now all the sections in that bucket are separated by demand placing higher numbers sold score at the top. If there are sections with the same demand score they are separated into those with the lowest supply at the top.

For example, if price has increased only 6 times over the last 12 months reader understands this as a price neutral result, but if demand has increased 10 times and supply only 2 times the reader might take a positive outlook for future price increases. On the other hand, if price has only increased 2 times over the last 12 months the reader would rightly determine the section is price negative. Additionally if the demand has increased only 3 times and supply increased 11 times the reader might expect higher than normal holding costs due to higher days on market.

The Advantage report ranking is designed with stability in mind where the leader board changes only minimally over time due to the 11 month lookback table. Every new month is 11/12ths what it was last month making the evaluation more predictable.

House2HouseAppraisal.com publishes Houston's Top Single Family Markets report within 10 days of the report months end!

Advantage Report Ranking

		Advantage Report September	2024		
Rank	Section	Name	Price	Supply	Demand
1	36	Katy West	11	9	10
2	32	Pearland / Friendswood	11	11	9
3	31	NASA	11	8	6
4	26	Cypress	10	10	3
5	27	Champions	10	12	2
6	33	Missouri City / Fresno	10	9	0
7	2	East Westheimer / River Oaks	9	8	6
8	11	Inwood	9	9	5
9	12	Central Northwest / Indep Hts	8	6	5
10	28	Airport	8	9	5
11	22	Braeswood / Meyerland	8	9	3
12	23	Four Corners / North Sugar Land	8	10	3
13	17	Timberwood	8	11	3
14	30	Baytown	7	6	9
15	20	Hobby	7	12	8
16	35	Cinco Ranch West	7	9	6
17	29	Kingwood / Lake Houston	7	8	5
18	7	South Central / Macgregor	7	11	5
19	24	Cinco Ranch East / Memorial	7	10	4
20	19	Pasadena	7	9	3
21	15	East Little York	7	10	3
22	25	Katy East	7	11	3
23	8	West University / TMC	7	9	1
24	4	Northside Village	6	6	8
25	9	Galloria / Memorial	6	3	6
26	21	Central Southwest	6	8	4
27	3	Houston Heights	6	11	3
28	13	Aldine	5	7	6
29	6	East Downtown / Eastwood	5	12	5
30	38	Galveston	5	12	5
31	10	Spring Branch	5	8	4
32	5	Kashmere Gardens / NE Houston	5	9	4
33	16	Trinity Houston Gardens	5	11	4
34	18	San Jacinto / Galena Park	4	7	6
35	34	Rosenberg / Richmond / Fulshear	3	11	9
36	14	North Central	3	9	4
37	37	The Woodlands / North	0	0	9

July and August 2024

Advantage Report July2024						Advantage Report August2024					
Rank	Section	Name	Price	Supply	Demand	Rank	Section	Name	Price	Supply	Demand
1	32	Pearland / Friendswood	11	10	7	1	32	Pearland / Friendswood	11	11	8
2	31	NASA	10	7	5	2	33	Missouri City / Fresno	11	8	0
3	11	Inwood	10	10	5	3	36	Katy West	10	9	10
4	33	Missouri City / Fresno	10	7	0	4	31	NASA	10	8	5
5	36	Katy West	9	8	10	5	2	East Westheimer / River Oaks	9	9	5
6	19	Pasadena	9	9	5	6	11	Inwood	9	9	5
7	22	Braeswood / Meyerland	9	7	3	7	12	Central Northwest / Indep Hts	9	5	4
8	25	Katy East	9	8	3	8	26	Cypress	9	10	3
9	4	Northside Village	8	7	8	9	27	Champions	9	12	2
10	30	Baytown	8	6	7	10	35	Cinco Ranch West	8	9	6
11	12	Central Northwest / Indep Hts	8	4	4	11	28	Airport	8	9	5
12	3	Houston Heights	8	10	4	12	19	Pasadena	8	9	4
13	26	Cypress	8	10	2	13	23	Four Corners / North Sugar Land	8	10	3
14	27	Champions	8	11	2	14	24	Cinco Ranch East / Memorial	8	10	3
15	24	Cinco Ranch East / Memorial	7	9	12	15	25	Katy East	8	10	3
16	28	Airport	7	9	6	16	22	Braeswood / Meyerland	8	8	2
17	35	Cinco Ranch West	7	8	5	17	30	Baytown	7	6	8
18	16	Trinity Houston Gardens	7	10	5	18	3	Houston Heights	7	10	4
19	2	East Westheimer / River Oaks	7	9	4	19	17	Timberwood	7	11	4
20	8	West University / TMC	7	8	2	20	4	Northside Village	6	6	8
21	21	Central Southwest	6	5	7	21	20	Hobby	6	12	8
22	9	Galleria / Memorial	6	2	6	22	29	Kingwood / Lake Houston	6	8	5
23	13	Aldine	6	5	6	23	6	East Downtown / Eastwood	6	11	5
24	20	Hobby	6	12	6	24	15	East Little York	6	9	4
25	10	Spring Branch	6	7	4	25	7	South Central / Macgregor	6	11	4
26	15	East Little York	6	8	4	26	8	West University / TMC	6	9	1
27	17	Timberwood	6	11	4	27	18	San Jacinto / Galena Park	5	6	7
28	23	Four Corners / North Sugar Land	6	9	3	28	9	Galloria / Memorial	5	3	5
29	5	Kashmere Gardens / NE Houston	5	7	6	29	10	Spring Branch	5	8	4
30	29	Kingwood / Lake Houston	5	8	4	30	21	Central Southwest	5	8	4
31	18	San Jacinto / Galena Park	4	6	6	31	13	Aldine	4	6	6
32	7	South Central / Macgregor	4	10	5	32	5	Kashmere Gardens / NE Houston	4	8	5
33	34	Rosenberg / Richmond / Fulshear	4	11	5	33	16	Trinity Houston Gardens	4	11	4
34	6	East Downtown / Eastwood	4	12	5	34	14	North Central	4	9	3
35	38	Galveston	4	12	2	35	38	Galveston	4	12	2
36	14	North Central	3	10	3	36	34	Rosenberg / Richmond / Fulshear	3	11	8
37	37	The Woodlands / North	1	8	7	37	37	The Woodlands / North	0	9	8

Katy West (Section 36) last 30 days data below showing mostly new construction driving price gains and demand.

Market Analysis																			
Status: Active (1204)																			
Property Type: Single-Family (1204)																			
	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt	LP/Acre	Sale Price	Close Price Adj	SP/SqFt	Price Sq Ft Adj Sold	SP/Acre	SP/LP%	SP/OLP%	DOM	CDOM
Min	908	2	1		1924	0.08		\$140,000	\$17.50	\$88,313.86	-	-	-	-	-	-	-	1	1
Max	29,999	7	6	3	2025	21.00	914,750	\$6,300,000	\$2,883.30	\$4,840,397.70	-	-	-	-	-	-	-	455	798
Avg	2,585	4	3	1	2020	0.43	12,557	\$479,267	\$186.61	\$2,432,297.01	-	-	-	-	-	-	-	64	89
Median	2,463	4	3	1	2024	0.16	6,969	\$420,000	\$179.82	\$2,552,264.81	-	-	-	-	-	-	-	45	63
Status: Sold (266)																			
Property Type: Single-Family (266)																			
	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt	LP/Acre	Sale Price	Close Price Adj	SP/SqFt	Price Sq Ft Adj Sold	SP/Acre	SP/LP%	SP/OLP%	DOM	CDOM
Min	825	2	1		1945	0.10	4,410	\$180,000	\$111.11	\$212,500.00	\$175,000	\$174,342	\$111.11	\$109.90	\$206,250.00	68.35%	67.99%		
Max	7,052	6	5	2	2024	8.00	348,480	\$2,225,000	\$484.88	\$4,148,625.54	\$2,300,000	\$2,270,000	\$470.62	\$469.10	\$3,960,847.81	114.29%	112.14%	316	501
Avg	2,380	4	2		2019	0.32	10,771	\$435,302	\$183.08	\$2,224,247.34	\$422,670	\$417,412	\$177.31	\$174.83	\$2,170,159.57	96.99%	93.49%	59	83
Median	2,243	4	2		2024	0.16	7,015	\$376,490	\$179.79	\$2,286,309.94	\$365,548	\$359,875	\$175.65	\$171.34	\$2,221,510.88	98.11%	94.58%	36	53