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FIRST EQUITY**

**Amarillo MSA* Housing Market Commentary
YTD March 31, 2020**

Closed Sales

721 closed sales in 2020 compared with 693 closed sales in 2019, a 4.04% increase from one year ago. This is the second best first quarter for homes sold in the Amarillo MSA (1Q 2016 had 741 closed sales). Obviously, the first quarter results are not impacted by the COVID-19 pandemic. Home showings and the MLS active listing inventory began falling in late-March. However, it's way too early to predict what 2nd Quarter numbers will look like.

Single-Family Home Prices

The average sales price for YTD 2020 increased 9.28% to \$201,910 while the median sales price increased by 2.45% to \$167,000. The large increase in the average sales price from 1Q 2019 to 1Q 2020 was driven by a significant increase in home sales over \$500,000 during the quarter.

Days on Market

The MLS is now calculating Days on Market on a cumulative basis. In other words, if a property has been listed multiple times, (i.e., three 90-day listings), before selling, the cumulative days on market is being reported as opposed to days on market occurring in the final listing period. This greatly improves the accuracy of the data being reported. During the first quarter of 2020 the average days on market was 131 and the median days on market was 91. Beginning with the second quarter report a year over year comparison will be available.

Sales Price to List Price Ratio

The sales price to list price ratio in 2020 was 96.69% of listed prices, down from 97.17% a year ago. This decrease is influenced by the higher number of homes over \$500,000 selling in the first quarter.

Months of Inventory

One of the most telling market metrics is total months of inventory which takes into consideration the current listing inventory (792) and the number of total sales in 1Q 2020 (721). Texas A&M's Real Estate Center's definition of a buyer-seller balanced market is 6.5 months of available inventory. Overall, the total months of inventory as of

March 31, 2020 is 3.30 months as compared to 4.95 in 1Q 2019. However, that doesn't tell the full story; for homes priced under \$250,000, the total months of inventory stands at 2.05 months. For homes priced between \$250,000 and \$500,000, the total months of inventory stands at 6.68 months. For homes priced over \$500,000, the total months of inventory stands at 10.96 months.

Listing Inventory

There were 792 active single-family listings in the MLS as of March 31, 2020; down 351 listings from one year ago; or a (-30.71%) decrease from one year ago. This is the lowest 1Q inventory in the MLS since 1999.

Building Permits

116 new single-family homes were permitted during 1Q 2020 compared with 113 in 1Q 2019, a slight increase of 2.65%.

Foreclosure Activity (Potter and Randall Counties)

Foreclosure activity is another indicator of the overall health of the local economy in general as well as the housing market, specifically. Residential properties posted for foreclosure were down (-35%) in 1Q 2020 to 93 postings. Actual foreclosures were down (-26%) in 1Q 2020 to 50 foreclosures. 1Q 2020 foreclosures are (-32%) below the five-year moving average for foreclosures.

Unemployment and Job Creation

The Amarillo MSA unemployment rate stood at 2.70% according to the January report from the Texas Workforce Commission. That same report shows that 2,700 more people were employed than one year ago, an increase of 2.13%. Obviously, these numbers will look quite different in the 2nd Quarter Report.

Interest Rates

The conventional 30-year mortgage market has ranged from 3.25% to 5.00% over the last 30 days; reacting to the COVID-19 pandemic and the Saudi/Russia oil price war. Basically, the most prevalent interest rate at the end of 1Q would be 3.75% versus 4.50% a year ago.

Sources:

Amarillo Association of Realtors' Multiple Listing Service

Texas A&M Real Estate Center

City of Amarillo Building Safety Department

Texas Workforce Commission

Amarillo Foreclosure Report

*Amarillo MSA includes Armstrong, Carson, Oldham, Potter, and Randall Counties