



FIRST EQUITY, REALTORS

Amarillo Area Housing Market Commentary YTD June 30, 2019

Closed Sales

1,711 closed sales in 2019 compared with 1,678 closed sales in 2018, a 1.97% increase from one year ago. The 1,711 closed sales in the first half of 2019 is the third best first half total in the past ten years as reported by the Amarillo Association of Realtors' Multiple Listing Service (MLS).

Single-Family Home Prices

Average single-family home prices were down (-1.81%) to \$189,263. Median single-family home prices were up 4.67% to \$168,000. The discrepancy between average and median sales prices illustrates the point that a smaller percentage of the upper end market is selling during the first half of 2019 as compared with the first half of 2018.

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 half of 2019 the average days on market was 118 and the median days on market was 79.

Sales Price to List Price Ratio

The sales price to list price ratio was flat at 97.33% of listed prices compared to 97.35% a year ago. This metric along with Months of Inventory illustrates the overall bias of the market being in favor of Sellers today.

Months of Inventory

One of the most telling market metrics is total months of inventory which takes into consideration the current listing inventory and first six months of sales activity. 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 June 30, 2019 is 4.03 months, but that doesn't tell the full story. For homes priced under \$250,000, the total months of inventory stands at 2.68 months. For homes priced between \$250,000 and \$500,000, the total months of inventory stands at 7.42 months. For homes priced over \$500,000, the total months of inventory stands at 38.29 months.



Listing Inventory

There were 1,149 active single-family listings in the (MLS) as of June 30, 2019; down one listing from one year ago.

Building Permits

306 new single-family homes were permitted during the first half of 2019 compared with 306 in 2018, a decrease of (-26.80%). There appear to be several factors limiting new home construction permit activity: (1) availability of subcontractors and labor, (2) builders backing away from speculative home construction over \$400,000 inside the Amarillo city limits, and (3) overall increased construction activity outside the Amarillo city limits.

Foreclosure Activity

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 and actual foreclosures were down 10% in the first half of 2019. Postings were down 6 in the first half of 2019 to 259 postings, while actual foreclosures were down 10 to 113 foreclosures. YTD 2019 foreclosures were 43% below the five-year moving average.

Unemployment and Job Creation

The Amarillo MSA unemployment rate stood at 2.10% (maybe the lowest recorded) according to the May report from the Texas Workforce Commission. That same report shows that 400 more people were employed than one year ago.

Interest Rates

Conventional 30-year mortgage loan interest rates as of June 30, 2019 were 4.00%, down .75% from where rates stood a year ago.



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