



**COLDWELL BANKER
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**Amarillo Area Housing Market Commentary
YTD June 30, 2020**

Closed Sales

1,673 closed sales in 2020 compared with 1711 closed sales in 2019, a (2.22%) decrease from one year ago. The 1,673 closed sales in the first half of 2020 is still the fifth 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 are up 11.66% to \$211,325. Median single-family home prices are up 7.14% to \$180,000. The discrepancy between average and median sales prices illustrates the point that a larger percentage of the upper end market sold during the first half of 2020 as compared with the first half of 2019.

Days on Market

During the first half of 2020 the average days on market was 121 and the median days on market was 78, compared to 118 and 79 days on market, respectively in 2019.

Sales Price to List Price Ratio

The sales price to list price ratio was flat at 96.99% of listed prices compared to 97.33% 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, 2020 is 2.53 months versus 4.03 months one year ago. However, that doesn't tell the full story. For homes priced under \$250,000, the total months of inventory stands at 1.52 months. For homes priced between \$250,000 and \$500,000, the total months of inventory stands at 4.46 months. For homes priced over \$500,000, the total months of inventory stands at 12.96 months.

Listing Inventory

There were 706 active single-family listings in the (MLS) as of June 30, 2020; down (443) listings from one year ago; a decrease of (38.56%). 706 Active Listings is the lowest quarter-ending inventory dating back to at least 1977.

Building Permits

217 new single-family homes were permitted by the city of Amarillo during the first half of 2020 compared with 224 in 2019, a decrease of (3.12%), but (29%) behind the first half of 2018. There appear to be several factors limiting new home construction permit activity: (1) less activity for speculative home construction over \$400,000 inside the Amarillo city limits, and (2) overall increased construction activity outside the Amarillo city limits and in Canyon proper.

Foreclosure Activity

Foreclosure activity is another indicator of the overall health of the local economy in general as well as the housing market, specifically. Foreclosure activity during the second quarter of 2020 was highly influenced by COVID-19 and the subsequent government-imposed moratorium on both foreclosure postings and sales. The number of properties sold at foreclosure is down (38.94%) in the first half of 2020 compared to 2019. YTD 2020 foreclosures are (52.41%) below the five-year moving average.

Unemployment and Job Creation

The Amarillo MSA unemployment rate stood at 8.50% compared to the statewide rate of 12.70% and national rate of 13% according to the May report from the Texas Workforce Commission. Likewise, other west Texas cities reported the following unemployment rates: Abilene – 8.90%, Lubbock – 9.40%, Midland – 12.40%, Odessa – 16.50%, San Angelo – 10.60%, and Wichita Falls – 10%. That same report shows 17,200 fewer people employed than one year ago in the Amarillo MSA.

Interest Rates

Conventional 30-year mortgage loan interest rates as of June 30, 2020 were 2.875%, down 1.125% from 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