



COLDWELL BANKER
FIRST EQUITY

Amarillo Area Housing Market Commentary
YTD September 30, 2020

Closed Sales

2,810 closed sales in 2020 compared with 2,686 closed sales in 2019, a 4.62% increase from one year ago. The 2,810 closed sales in the first nine months of 2020 is the highest number of total sales after nine months recorded by the Amarillo Association of Realtors' Multiple Listing Service.

Single-Family Home Prices

Both Average and Median single-family home prices reached new highs during the first nine months of 2020. Average single-family home prices are up 12.92% to \$220,136. Median single-family home prices are up 10.65% to \$188,000.

Days on Market

During the first nine months of 2020 the average days on market was 114 and the median days on market was 71, compared to 117 and 78 days on market, respectively in 2019.

Sales Price to List Price Ratio

The sales price to list price ratio was flat at 97.20% of listed prices compared to 97.14% 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 nine 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 September 30, 2020 in the Amarillo MSA is 1.89 months versus 3.61 months one year ago; the lowest number of months of inventory ever recorded in the Amarillo MSA at quarter-end. However, there's more to the story. For homes priced under \$500,000, the total months of inventory stands at 1.61 months. For homes priced over \$500,000, the total months of inventory stands at 9.75 months, a very respectable level for the upper-end market.

Listing Inventory

There were 591 active single-family listings in the (MLS) as of September 30, 2020; down (485) listings from one year ago; a decrease of (45.07%). 591 Active Listings is the lowest quarter-ending inventory dating back to at least 1977.

Building Permits

393 new single-family homes were permitted by the city of Amarillo during the first nine months of 2020 compared with 324 in 2019, an increase of 21.30%, but (9.86%) behind the first nine months of 2018. The number of homes being built outside the city limits continues to grow significantly with buyers seeking to avoid city taxes/fees and builders being able to operate in a friendlier regulatory environment.

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 third quarter of 2020 was, again, 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 (39.10%) in the first nine months of 2020 compared to 2019. YTD 2020 foreclosures are (53.88%) below the five-year moving average.

Unemployment and Job Creation

The Amarillo MSA unemployment rate stood at 4.20% compared to the statewide rate of 6.80% and national rate of 8.40% according to the August report from the Texas Workforce Commission. Likewise, other West Texas cities reported the following unemployment rates: Abilene – 4.90%, Lubbock – 5.20%, Midland – 8.10%, Odessa – 11.10%, San Angelo – 6.00%, and Wichita Falls – 5.90%. That same report shows 3,800 fewer people employed than one year ago in the Amarillo MSA.

Interest Rates

Conventional 30-year mortgage loan interest rates as of September 30, 2020 were 2.875%, down 1.125% from a year ago.