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FIRST EQUITY

Amarillo MSA Housing Market Commentary YTD December 31, 2019

Closed Sales

3,493 closed sales in 2019 compared with 3,390 closed sales in 2018, a 3.04% increase from one year ago. This is the most homes sold in the Amarillo MSA (Armstrong, Carson, Oldham, Potter, and Randall counties) in a calendar year. The Texas A&M Real Estate Center reports statewide sales up 3.1% YTD through November, while the National Association of Realtors expects 2019 closed sales across the nation to be up approximately 4%.

Single-Family Home Prices

The average sales price for 2019 increased 2.38% to \$197,273 while the median sales price increased by 3.98% to \$170,000; both measurements being all-time highs.

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 nine months of 2019 the average days on market was 119 and the median days on market was 79.

Sales Price to List Price Ratio

The sales price to list price ratio in 2019 was 97.11% of listed prices, identical to the 97.11% 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 the number of total sales in 2019 (3,493). 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 December 31, 2019 is 3.02 months, the lowest number of months of inventory recorded at year end. However, that doesn't tell the full story; for homes priced under \$250,000, the total

months of inventory stands at 2.23 months. For homes priced between \$250,000 and \$500,000, the total months of inventory stands at 4.80 months. For homes priced over \$500,000, the total months of inventory stands at 14.00 months.

Listing Inventory

There were 878 active single-family listings in the (MLS) as of December 31, 2019; down 251 listings from one year ago; or a (-22.23%) decrease from one year ago. This is the lowest year-end inventory in the MLS since 1995.

Building Permits

451 new single-family homes were permitted during 2019 compared with 539 in 2018, a decrease of (-16.33%). There appear to be several factors limiting new home construction permit activity: (1) availability of subcontractors and labor, (2) builders staying 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 (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 (-3.70%) in 2019 to 494 postings. Actual foreclosures were down (-16.67%) in 2019 to 205 foreclosures. YTD 2019 foreclosures are (-33.66%) below the five-year moving average for foreclosures.

Unemployment and Job Creation

The Amarillo MSA unemployment rate stood at 2.50% according to the November report from the Texas Workforce Commission. That same report shows that 800 more people were employed than one year ago, an increase of 0.62%.

Interest Rates

Conventional 30-year mortgage loan interest rates as of December 31, 2019 were 3.875%, down 1.0% from where rates stood 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