

# Texas Housing Costs Hit All-Time Highs

*Tight markets and surging demand increase home prices and rental rates.*

Median home prices and average rental rates hit record highs in all four major Texas metro areas in 1Q 2022 as builders and developers struggled to add new housing fast enough to meet surging demand in the state's booming cities.

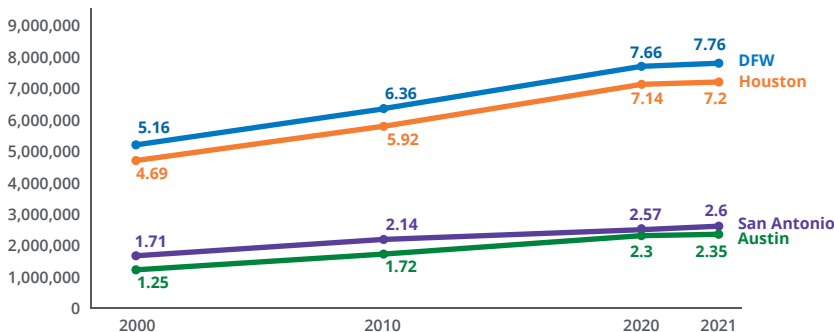


## HOUSING DATA (Q1 2022)

MSA	FOR SALE HOMES			FOR RENT APARTMENTS		
	MEDIAN HOME PRICE	INCREASE (YOY)	MONTHS INVENTORY	AVG. RENT (monthly)	INCREASE (YOY)	OCCUPANCY
Austin	\$500,000	26%	0.5	\$1,608	25%	97.2%
DFW	\$376,500	21.5%	0.7	\$1,434	18%	97.3%
Houston	\$321,623	17%	1.2	\$1,262	15%	96.3%
San Antonio	\$309,000	19%	1.1	\$1,203	18%	96.7%
U.S.	\$428,700	16%		\$1,649	16%	

YOY = Year Over Year

## MSA POPULATION GROWTH



## Factors fueling higher prices:

- **Strong Population Growth:** Texas added more than 310,000 new residents from July 2020 to July 2021 — the most of any other state for the 15th consecutive year.
- **Construction Disruption:** A slowdown in building activity early in the pandemic delayed many projects while worker and material shortages continue to increase the cost and completion times for new housing.
- **Too Few Homes for Sale:** Inventories of homes for sale are at or near historic lows in all four markets resulting in bidding wars and higher prices.
- **Low Vacancies:** Unable to afford to buy, many people are renting for longer and increasingly renewing their leases.

**KEY TAKEAWAY:** With the state forecasted to add approximately 476,600 jobs this year, demand for housing in major Texas markets is likely to remain strong. It's important to note that Texas cities still remain more affordable than many areas of the country — a key competitive advantage attracting so many new people and businesses to the Lone Star state each year.

**SOURCES:** Texas For-Sale Data: Texas A&M Real Estate Center (various reports) | National For-Sale Home Data: Federal Reserve Bank of St. Louis <https://fred.stlouisfed.org/series/MSPUS> | Apartment Data: RealPage | Vacancies: RealPage (various reports) | Texas Population Growth: Texas A&M Real Estate Center and U.S. Census Bureau (various reports) | Job Forecast Statistic: Federal Reserve Bank of Dallas <https://www.dallasfed.org/research/forecast/2022/emp220520.aspx>