

Real Estate Center at Texas A&M University

TOTAL RECALL

February 2020

Helping Texans make the best real estate decisions



REGISTRATION IS OPEN for this year's Outlook for Texas Land Markets. It's been the Center's most popular conference for three decades, and about 500 are expected this year. It's April 23-24 in San Antonio. Prices increase March 25. [Register here](#). REC photo by JP Beato III.

Updates to Center research library

[Texas Border Economy](#) 2-20-20.

The latest *Texas Border Report* is out, and it summarizes how the economies there fared in 2019. Here are the highlights. [Subscribe to the free report](#).

- The 2019 Texas border economies expanded in 2019 despite headwinds, such as the slowing global manufacturing sector and tepid GDP growth in Mexico.
- Education/health services employment increased in all the border metros, but retail jobs suffered as e-commerce continued gaining popularity.
- Sluggish manufacturing activity weighed on Mexican manufacturing and maquiladora employment and total border trade values.
- Border housing sales increased, but home-price appreciation outpaced wages as affordability fell in all border metros except Brownsville.

[Outlook for the Texas Economy](#) 2-14-20. The Texas economy grew at a solid pace in 2019 in the midst of one of the longest expansionary cycles in state history. [Subscribe to the free report](#).

The Texas economy registered strong growth in 2019 amid accelerated population growth and a healthy labor market despite the following headwinds:

- slowing U.S. economy;
- low oil prices and investment and slower energy-related employment growth but record high crude oil production and exports;
- U.S.-China trade dispute increasing uncertainty;
- decreasing manufacturing activity; and
- zero economic growth in Mexico, Texas' major trading partner.

[Texas Housing Insight](#) 2-5-20. Texas housing sales stabilized in November after reaching a record high the previous month. Steady employment growth and low mortgage interest rates continued to support housing demand. [Subscribe to the free report](#).

Notable findings this month:

- A record 356,576 Texas homes sold through Multiple Listing Services in 2019, accelerating 3.8 percent. Single-family sales are projected to increase 6.4 percent in 2020, assuming mortgage rates remain relatively low and economic activity continues.
- Increased vacant developed lots, housing permits, and starts suggest additional supply in 2020 as homebuilders renew efforts to provide homes priced between \$200,000-\$400,000.
- The 30-year fixed mortgage rate dropped 60 basis points to a three-year annual low of 3.9 percent, bolstering housing demand. Mortgage applications for home purchases rose 26.7 percent in 2019 and refinance mortgage applications nearly tripled.
- The Texas median home price increased by \$7,500 to \$240,000 in 2019 while the Texas Repeat Sales Home Price Index rose 3.8 percent in 4Q2019 from 4Q2018.

All four major metros experienced increased housing affordability in 3Q2019 compared to 3Q2018, with Austin, San Antonio, and Houston more affordable than the nationwide average.

Top ten most downloaded titles from REC website

1. *Texas Housing Insight*
2. *Outlook for the Texas Economy*
3. *Monthly Review of the Texas Economy*
4. "Home Security: Understanding and Negotiating Title Insurance"
5. *Texas Border Economy*
6. "Homestead Advantage"
7. "Seller Beware: Understanding the General Warranty Deed"
8. "Imperfect Storm"
9. *Texas Quarterly Apartment Report*
10. *2020 Texas Housing Economic Outlook*

Busiest day on REC website this month: Tuesday, February 4, with 1,219 unique visitors.



NewsTalk Texas

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Monthly data updates

Latest building permit data. Building permit data for single-, two-to-four, and five-or-more family units for states, metropolitan statistical areas, and Texas counties.

Housing reports. Housing statistics based on listing data from more than 50 Texas MLSs. Statistics for each geography based on listings of properties physically located within the mapped area presented with the statistics.



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Conferences and courses



30th Annual Outlook for Texas Land Markets with special guest speaker [Red Steagall](#).

[Registration is open](#). Date: April 23-24, 2020. Location: The Omni San Antonio at the Colonnade.



Legal Update 1 & 2

[Registration is open](#). Date: May 12, 2020. Location: Real Estate Center, College Station, Texas.

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News releases. View RECenter's news releases [here](#).

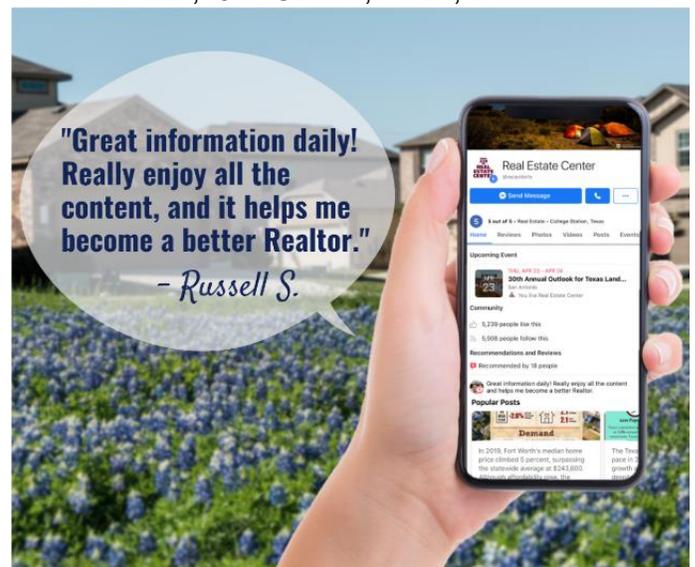
"Registration open for 30th Annual Outlook for Texas Land Markets conference" 2-24-20. Registration is open for the Annual Outlook for Texas Land Markets conference. This is the 30th year the popular event has been offered by the Real Estate Center at Texas A&M University.

Newsmakers. Real Estate Center's February media coverage

"Texas housing market continued to break records in 2019" 2-28-19. *Mortgage Professional America*. "We saw the rates of increase for median price and sales volume normalize," Jim Gaines, Ph.D., chief economist with the Real Estate Center at Texas A&M University. "The national housing market is predicted to be one of the strongest parts of the economy this year, and in Texas we're expecting another record-breaking year as home construction picks up and interest rates remain low." Also published in numerous other media.

"D-FW home sales outpaced Texas' other major metros in 2019" 2-27-20. *Dallas Morning News*. "2019 was another record-breaking year in Texas real estate," Dr. Jim Gaines, chief economist with the Real Estate Center at Texas A&M University, said in the report. "We saw the rates of increase for median price and sales volume normalize."

"Virus fears push mortgage rates even lower" 2-27-20. *Houston Chronicle*. Factors other than the recent advent of the coronavirus have helped drive rates lower, said Jim Gaines, chief economist with the Real Estate Center at Texas A&M University. The low rates could boost home sales over the balance of the year.



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“A&M: Year-over-year average home price jumps \$33,000” 2-26-20. *Midland Reporter-Telegram*. The average price of homes sold in January inside Midland County increased by more than \$33,000 year over year, according to the Texas A&M University Real Estate Center.

“Here’s how high home prices, short supply and flawed appraisals are hurting North Texans” 2-25-20. *Dallas Morning News*. If you bought a D-FW-area home ten years ago, the National Association of Realtors estimates that your house has increased more than \$50,000 in value, a more than 41 percent appreciation. The Real Estate Center at Texas A&M University also predicts that median home prices in Texas this year could grow at twice the rate of 2019 increases.

“Texas housing market to spike in 2020” KXXV-TV, Waco. Experts at the Real Estate Center of Texas A&M University explained that housing prices across Texas are projected to hike as high as 6 percent in comparison to 2019.

“Expect home prices to remain high as DFW population grows” 2-24-20. *Fort Worth Business Press*. “We did more than \$100 billion worth of housing sales last year,” said Dr. Jim Gaines, chief economist at the Real Estate Center at Texas A&M.

“Economic summit educates local business leaders” 2-23-20. *Hill Country Community Journal*. Real Estate Center Chief Economist Dr. Jim Gaines spoke at the Hill Country Economic Summit. About housing, he said affordability is the problem. People can generally afford three times their annual income, but that situation is getting worse.

“Texas home prices are headed higher this year: But not as much in D-FW, economists predict” 3-21-20. *Dallas Morning News*. “Median home prices in Texas this year could grow at twice the rate of 2019 increases. “Last year, for the first time in Texas history, we exceeded \$100 billion in housing sales,” Real Estate Center Chief Economist Dr. James Gaines said. “We are looking for prices to increase probably between 5 percent and 6 percent after 3 percent last year. January and February have been really good. Generally these are not our best months of the year.” Gaines was speaking at a housing conference sponsored by the Real Estate Center at the Federal Reserve Bank of Dallas. Also in Connect Texas CRE and WBAP/KLIF.

Every year since about 2015 we've been setting a record [in Texas]. We're predicting this year we'll increase sales somewhere between five and six percent.

— James P. Gaines
Real Estate Center at Texas A&M University

Room to **grow** Federal Reserve Bank of Dallas **ATM** TEXAS A&M UNIVERSITY Real Estate Center

“Economist: Texas, DFW housing market headed for another ‘banner year’” 2-21-20. *Dallas Business Journal*. The Texas housing market had a “banner year” in 2019, and looks to be heading for another one, a top economist said at a seminar Friday at the Federal Reserve Bank of Dallas. Nine years after the housing market’s downturn, housing sales in Texas have returned to their pre-recession peak, said Jim Gaines, chief economist at the Real Estate Center at Texas A&M University.

“Looking to become a homeowner? Startup offers updated rent-to-own plan in San Antonio” 2-20-20. *San Antonio Express-News*. “What they’re aiming their product for is a specific part of the market — those who don’t have access to credit,” said Joshua Roberson, a senior data analyst at the Texas A&M Real Estate Center. “There is a place for that, but in terms of how big that is in the total puzzle, I don’t think we’re going to see a huge change in home ownership because of that.”

“Longview area homes sales up slightly in January from year ago” 2-15-20. *Longview News-Journal*. Data supplied for Longview ZIP codes from Texas Realtors to the Real Estate Center at Texas A&M University in College Station agrees.

“President’s column: Slow start to sales in 2020” 2-13-19. *Lubbock Avalanche-Journal*. The Real Estate Center at Texas A&M University cites that 6.5 months of inventory represents a market in which supply and

demand for homes is balanced. The inventory of homes for a market can be measured in months, which is defined as the number of active listings divided by the average sales per month of the prior 12 months.

“Hill Country economic summit will tackle 2020 growth” 2-12-20. *Kerrville Daily Times*. Attendees of the fourth annual Hill Country Economic Summit will hear from . . . Jim Gaines, chief economist at the Real Estate Center at Texas A&M University.

“Federal Reserve Events” 2-10-20. *National Post*. Federal Reserve Bank of Dallas President Robert Kaplan speaks before event, “Room to Grow: Housing for a New Economy” co-sponsored by the Real Estate Center at Texas A&M University and the Federal Reserve Bank of Dallas. Also in Postmedia Network Inc.

“North Texas home sales blew the roof off in January” 2-10-20. *Dallas Morning News*. The 6,390 single-family homes sold in last month by real estate agents was also the largest number of properties ever to trade in January, which is usually a slow month, according to data from the Real Estate Center at Texas A&M University and the North Texas Real Estate Information Systems. Also in *National Mortgage News*.

“A&M: Housing market in Midland County shows gains across the board” 2-8-20. *Midland Reporter Telegram*. The housing market in December inside Midland County topped December 2018 totals in every category, according to the Texas A&M Real Estate Center. A&M reports increases in home sold, dollar volume, average price for a home sold, median price for a home sold, total listings and months of inventory available at the end of December. Also in United States Supply Chain Management Council and *San Antonio Express-News*.

“10 Most affordable places for military veterans to live in 2020” 2-7-20. *Forbes*. Texas has a large military community that includes active-duty service members, reservists, members of the National Guard and veterans, among others, according to Texas A&M University Real Estate Center. It has the third-largest count

of permanently assigned military personnel in the nation, trailing only California and Virginia. The vast majority of personnel come from the Army and Air Force.

“Spending only sore spot in Waco economy”

2-6-20. *Waco Tribune-Herald*. A record 356,576 Texas homes were sold through Multiple Listing Services in 2019, accelerating 3.8 percent, Real Estate Center spokesman David Jones wrote in an email. Single-



WORLD CLASS. Mays Business School at Texas A&M University is home to the second-best Master of Real Estate Program in the world, according to [Eduniversal](#). According to Mays' website, the placement rate for students within 90 days of graduation has been 100 percent almost every year since the program's inception nearly 40 years ago.

family sales are projected to increase 6.4 percent in 2020, assuming mortgage rates remain relatively low and economic activity continues.

“HAR in the News” February 2020. *Houston Realtor*. Bisnow quoted President and CEO Bob Hale in a January 9 feature about his long and cherished friendship with 1967 HAR President Julio Laguarta, who died on Jan. 3 at the age of 86. Laguarta went on to serve as TAR and later NAR president, also playing a pivotal role in the establishment of the esteemed Real Estate Center at Texas A&M.

“About 1,000 new houses were built in Killeen, Heights, and Cove last year” 2-5-20. *Killeen Daily Herald*. Currently, Killeen has a housing inventory of just 1.5 months, down from 2.2 months in December 2018. Housing inventory — which is defined as how long it would take before all active listings are sold if housing prices remained static — has seen a drop in Killeen since 2011, which had a high of 9.1 months of inventory, according to information obtained from the Texas A&M Real Estate Center.

“Texas topped nation in 2019 job growth” 1-24-20. *San Antonio Express-News*. While the 2017 federal tax cut contributed to job growth and investment in Texas, a slight slowdown is expected to come in this year and in 2021, according to Luis Torres, a research economist with the Real Estate Center at Texas A&M University in College Station.



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David S. Jones | Senior Editor | djones@mays.tamu.edu
Real Estate Center | Mays Business School | Texas A&M University
2115 TAMU | College Station, TX 77843-2115



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