New to the Center’s research library

“Finding a Representative Interest Rate for the Typical Texas Mortgagee” 7-28-20. Freddie Mac's 30-year fixed rate is generally considered the national benchmark for mortgage interest rates. However, a Real Estate Center study provides a more representative interest rate for the typical Texas mortgagee.

July research report updates


Texas Border Economy 7-23-20. Labor-market conditions improved along the Texas-Mexico border as the statewide stay-at-home mandate expired.


Outlook for the Texas Economy 7-17-20. Overall economic activity improved in May after collapsing the previous month, but a long road to recovery is still ahead.

Texas Housing Insight 7-14-20. Total Texas housing sales continued to fall in May, but the decline slowed to a 2.1 percent monthly decrease.

Texas land expert: ‘Buyers have vanished’

“There’s a lot of country for sale, and oil patch buyers have vanished,” says Dr. Charles Gilliland, a research economist for the Real Estate Center at Texas A&M University who has been following the state’s land markets for decades.

Facebook Live Tuesday, August 4 3:00 p.m. CST

Facebook.com/recentertx

Gilliland says the numbers tell the story. Despite COVID-19 virus-induced shutdowns and plummeting oil prices, however, he says the overall Texas land market did post some encouraging results.

Tune in Tuesday, Aug. 4, on Facebook Live as Gilliland gives a region-by-region update of sales, prices, transactions, and his assessment of what lies ahead for rural lands of Texas in the remainder of 2020.
July’s top ten most downloaded titles from REC website

1. *Texas Housing Insight*
2. *Outlook for the Texas Economy*
3. *COVID-19 Impact Projections on Texas Economy*
4. *Monthly Review of the Texas Economy*
5. “Seller Beware: Understanding the General Warranty Deed”
6. *Texas Border Economy*
7. “Imperfect Storm”
8. *Texas Quarterly Apartment Report*
9. *Texas Quarterly Commercial Report*
10. “Homestead Advantage”

**Busiest day** on REC website this month: Tuesday, July 21, with 1,276 unique visitors.

**NewsTalk Texas**

*Each work day we publish the top real estate news from across Texas.* Read the latest from your neck of the Lone Star State.

**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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**Red Zone podcasts**

Podcast 446: COVID-19’s impact on Texas housing

Listen to the play by play. It’s real estate for the on-the-go pro. Expert perspectives on Texas issues help you make the best real estate decisions.
News releases. View RECenter’s news releases here.

- “Texas home supply smallest in 3.5 years”
- “Texas’ June housing sales jump likely temporary”

Newsmakers. Real Estate Center’s July media coverage

“Continued demand, rising listings point to possible return of climbing Northwest Austin real estate market” 7-30-20. Community Impact Newspaper. In June, for the eighth straight month, the market had one month or less of inventory, according to Austin Board of Realtors data. For comparison, the Texas A&M University Real Estate Center considers a balanced real estate market to have 6.5 months of inventory.

“Real estate falters to the north, but Marfa residential sales keep pace in hard times” 7-29-20. Big Bend Sentinel. For the past five years ranchland sales have had an oil motivation, but as of this year, “I don’t think that motivation is there any longer,” said Dr. Charles Gilliland, a research economist at the Real Estate Center of Texas A&M and rural real estate expert.

“COVID-19 hijacks housing market” 7-29-20. Hays Free Press News-Dispatch. Joshua Roberson, senior data analyst at the Real Estate Center at Texas A&M University, said the interest rates are at a historical low. “I wouldn’t expect home prices to decline,” Roberson said. “I would expect them to at least stay stable. So far home prices, in general, are keeping steady. I don’t see any reason why they would drop; demand is good enough – it’s the supply side that suffered more.”

“Texas A&M Real Estate Center economist to speak at RGVP webinar” 7-29-20. Rio Grande Guardian. Research economist Luis B. Torres of the Real Estate Center at Texas A&M University is special guest for a webinar hosted by the Rio Grande Valley Partnership on Thursday, July 30.

“Agents, Homebuyers and iBuyers” 7-29-20. Realty Times. DataSource– Texas Realtors and the Real Estate Center At Texas A&M

“LGI homes: Don’t get blindsided by the positive sentiment and miss an important risk” 7-29-20. Seeking Alpha. Source: Real Estate Center at Texas A&M University.

“Texas, DFW June housing sales jump likely temporary” 7-28-20. Dallas Business Journal. Existing homes sold in June through Texas Multiple Listing Services surpassed 29,000 for the first time since August 2019, but housing experts for the Real Estate Center at Texas A&M University say that the gains may be short-lived. The biggest obstacle to the housing market in

New research area

Pandemic creates Texas manufactured housing backlog

Consumer demand for Texas manufactured housing rose in July, but COVID-19-related disruptions hindered the industry’s ability to meet orders and created a backlog.

“As Coronavirus cases rose through the first half of July, the state’s manufactured housing plants had to operate with a reduced workforce,” according to Rob Ripperda, vice president of operations at the Texas Manufactured Housing Association (TMHA). “Employees with fevers or symptoms had to remain home and out of the factory until they cleared the return-to-work guidelines. These guidelines are set at the corporate level and follow the recommendations posted by the Centers for Disease Control and Prevention.”

In addition to labor-supply constraints, the price of raw materials elevated. Lumber and steel account for the largest input share for manufactured housing. Rising material costs, however, were offset by higher sale prices.

The Real Estate Center at Texas A&M University and the TMHA have partnered to produce a monthly survey of business conditions and expectations surrounding the manufactured housing industry.

Overall, the manufacturers noted favorable levels of business activity and remained optimistic for the second half of 2020. Production is projected to increase in sync with sale prices, despite rising uncertainty and ongoing supply-chain disruptions.
DFW and statewide is the pandemic, Luis Torres, center research economist, said in an interview with the Dallas Business Journal. Also in biznewsindex.com.

“Houston’s housing market forges ahead” 7-28-20. CityBizList. Economists from the Real Estate Center at Texas A&M University are predicting the real estate market is going to push through because interest rates remain historically low. People are still selling and buying.

“Opinion: Texas’ June housing sales jump likely temporary” 7-26-20. Corsicana Daily Sun. Existing homes sold in June through Texas Multiple Listing Services surpassed 29,000 for the first time since August 2019. Housing experts for the Real Estate Center at Texas A&M University point out the trend may not last. Also in Killeen Daily Herald, Longview News-Journal.

“Bryan-College Station housing market pulling out of COVID-related dip” 7-26-20. The Eagle. Real Estate Center research economist Luis Torres said in a Friday interview that there are fundamental challenges facing the housing market in addition to the COVID-19 pandemic. Torres said inventory for existing homes plummeted to a record low of 2.7 months, exacerbating shortages — particularly for homes priced under $300,000.

“Rising COVID cases may impact Texas residential sales” 7-25-20. Fort Worth Business Press. Housing inventory in Texas declined 0.9 months to 3.0 months of inventory. According to the Real Estate Center at Texas A&M University, a market balanced between supply and demand has between 6.0 and 6.5 months of inventory. Also in Brenham Banner-Press, Gilmer Mirror, Borger News-Herald, Sweetwater Reporter, Deer Park Tribune, The Commanche Chief, Port Lavaca Wave, Tyler Morning Telegraph, Decatur Daily Democrat, Big Spring Herald, Killeen Daily Herald, Wichita Falls Times Record-News, Candy’s Dirt, and many others.

“Pearland, Manvel see real estate growth as COVID-19 confines residents to homes” 7-23-20. Community Impact Newspaper. “The big shock to the market came in April,” said Dr. Luis Torres, a research economist at Texas A&M University.

“Report shows county has smallest housing supply in five years” 7-23-20. San Marcos Record. Texas A&M researcher Paige Silva attributes this to increased demand in the Austin area and a booming job market. “In Austin we have seen in the past year or so that houses are flying off the shelf. There is a lot of demand with higher paying jobs booming,” Silva said. “That low housing inventory is a combination of the really strong housing demand taking listings off the market, as well as stricter regulations for building permits. The trend has shown inventory has been on a steady decline since 2019.”

“Hot Texas market probably cools quickly” 7-22-20. National Mortgage Professional Magazine. Existing homes sold in June through Texas Multiple Listing Services (MLSs) surpassed 29,000 for the first time since
August 2019. Housing experts for the Real Estate Center at Texas A&M University point out the trend may not last. Also in Bluebonnet News, Fox 34, Erie News Now, News Channel 36 Online, KLBB-FM, and many others.

“Dallas-Fort Worth-Arlington home sales volume down, median home prices increase in second quarter of 2020” 7-22-20. Fort Worth Business Press. “With COVID-19 and the mandatory shut down, the Texas housing market performed as expected in Q2,” said Jim Gaines, chief economist with the Real Estate Center at Texas A&M University. “We have a tighter market compared to last year, causing prices to remain high. However, in June, we saw demand pick up with buyers becoming more active and taking advantage of the low interest rates. Also in Dallas Morning News, Connect Media CRE, and The Henderson News.

“Four ways COVID-19 shaped Conroe, Montgomery housing market” 7-22-20. Community Impact Newspaper. But by April, home sales plummeted to 26,103 – the fewest monthly sales since 2012 and an 18.7 percent decrease compared to April 2019, according to the Real Estate Center at Texas A&M University.

“Austin home sales hint at recovery, but prices still hover above $400,000” 7-21-20. CultureMap Austin. “Extremely low inventory is one of the factors that affects overall sales dollar volume while simultaneously creating a very competitive and tight market,” said James Gaines, chief economist for the Real Estate Center at Texas A&M University.

“Report: Number of homes in Midland County jumps” 7-21-20. Midland Reporter-Telegram. The 4.1 months of inventory, according to the A&M Real Estate Center, was the highest in West Texas and higher than the most populous counties in the state.

“Subdued home sales in Conroe, Montgomery area mirror state trends” 7-21-20. Community Impact Newspaper. By April, home sales plummeted to 26,103—the fewest monthly sales since 2012 and an 18.7 percent decrease compared to April 2019, according to The Real Estate Center at Texas A&M University.

“Opinion: Housing can lead the economic recovery if local officials hold the line” 7-20-20. Austin American-Statesman. While six months of housing is what the Texas A&M Real Estate Center deems a balanced market, Austin remains at 1.6 months of inventory, which is dangerously low. Also in Austin Business Journal.
“June home sales in Waco see major bump” 7-29-20. Waco Tribune. “Rates have dropped almost 2 percentage points over the past year and a half, helping drive up homebuying demand and keeping home prices from dropping during the COVID-19-related recession,” according to a post by the Texas A&M Real Estate Center.

“Longview-area home sales, permits still higher this year despite pandemic” 7-19-20. Longview News-Journal. Statewide, sales of homes priced less than $300,000 have continued to be brisk, Jim Gaines, chief economist for the Real Estate Center at Texas A&M University, said in a statement. By contrast, the supply of unsold homes in the luxury range (higher than $500,000), increased for the first time this year. Also in Kilgore News-Herald.

“DFW residential market posts surprisingly strong second quarter sales, starts” D Magazine. 9-16-20. Meanwhile, existing home sales fell 4,669 units from April to May in North Texas, Texas A&M Real Estate Center reports, but the new home market benefited from the existing home challenges. Finished vacant inventory fell from 7,251 units at the end of the first quarter to 6,885 units at the end of Q2 2020. Also in D Home Blog.

“Bidding wars erupt as shortage of homes for sale intensifies” 7-17-20. Bankrate.com. James Gaines, chief economist at the Real Estate Center at Texas A&M University, says there’s only a 3.2-month supply of homes for sale in Texas, well below the six-month supply that’s considered a balanced market. “Nobody's selling,” he says. “With COVID, everybody kind of froze in place.” Also in MSN.

“Fort Worth home sales up nearly 15 percent in June over 2019” 7-17-20. Fort Worth Business Press. 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.
“B/CS housing market remains steady” 7-17-20. WTAW radio Bryan. 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.

“Austin, Texas real estate market update and statistics July 2020” The Regent Report. 7-16-20. Real Estate Center at Texas A&M University Chief Economist James Gaines said perspective is important when interpreting the COVID-affected market. “There are plenty of unknowns in the months ahead, but June home sales across the MSA being up 9.3 percent year over year was tremendous when considering the strength of 2019. And while home sales declined throughout the Austin-MSA during the first six months of 2020, we are still on track for a strong year.” Also in Blogarama.

“Texas home supply smallest in 3.5 years, according to new report” 7-15-20. Houston Agent Magazine. A new report conducted by Texas A&M University’s Real Estate Center shows inventory in the state of Texas during the month of May was at the lowest it’s been in more than three years, falling to a low of 3.2 months’ supply. A total supply of around six months is considered a balanced housing market. Also in Dallas Morning News, Bluebonnet News, and many others.

“Round Rock, Pflugerville, Hutto home sales decreased 13.6 percent in June” 7-15-20. Community Impact Newspaper. “There are plenty of unknowns in the months ahead,” said James Gaines, chief economist for the Real Estate Center at Texas A&M University, in a July 14 news release. “And while home sales declined throughout the Austin-MSA during the first six months of 2020, we are still on track for a strong year.”

“Housing market suffers from lack of inventory” 7-15-20. HousingWire.com. “Unless a buyer is looking for a luxury home, there are fewer to choose from,” says Dr. Jim Gaines, chief economist for the Real Estate Center at Texas A&M University. “Texas’ months of inventory fell to a historic 3.2 months in May as the state’s supply of active listings plummeted to its lowest level in three-and-a-half years.” Also in Candy’s Dirt and Connect Texas CRE.

“Despite pandemic, Lake Travis-area residential developments seeing record sales” 7-14-20. Community Impact Newspaper. A July 14 report from the Real Estate Center at Texas A&M University states that Texas’ months of inventory, or the amount of time it would take sell all of the homes for sale in a given market, fell to 3.2 months in May—the lowest it has seen in three-and-a-half years.

“North Texas counties had big increases in June home buys, with one shooting up 48 percent” 7-14-20. Dallas Morning News. “The June numbers are way up from last June, which was not a bad June,” said James Gaines, chief economist at the Real Estate Center at Texas A&M University. “Some of this reflects the activity that got postponed in April and May—some of it is catch-up.”

“June saw rebound for Austin-area home sales as stay-at-home orders eased” 7-14-20. Austin American-Statesman. Jim Gaines, chief economist for the Real Estate Center at Texas A&M University, said that despite the January-through-June sales decline, “We are still on track for a strong year.” Also in National Mortgage News, KLB radio, and Community Impact Newspaper.

“Realtors work to meet demand of homebuyers in Hays County” 7-14-20. Community Impact Newspaper. County numbers are stronger than what the state of Texas is showing for sales during 2020. In fact, according to the Real Estate Center at Texas A&M University, existing home sales are at their lowest level since 2012. Real Estate Center economist Luis Torres said May showed a bit of a rebound statewide but remained down 16 percent in home sales compared to May 2019.

“Lumberton, Vidor, Orange, Beaumont home sales in June 2020” Southeast Texas Real Estate Talk. COVID-19 is having an effect on most businesses in Southeast Texas. Home sales included. This spring we have seen a decrease in total sales volume for April and May. You can view home sales data at the Real Estate Center at Texas A&M University.

“Here’s how much space you can buy in San Antonio for $250,000” 7-13-20. CultureMap San Antonio. “Dallas-Fort Worth winds up with record sales again,” James Gaines, chief economist at Texas A&M
University’s Real Estate Center, said in January. “The Dallas side of the Metroplex was actually a little better than Fort Worth.” Also in CultureMap Dallas, CultureMap Houston, Innovation Map.

“Why a pandemic, recession, and protests aren’t keeping the housing market from roaring back” 7-13-20. Realtor.com. It’s also easier today to take care of much of the lending and home-buying process online — where you don’t have to worry about contracting the virus, says Jim Gaines, chief economist at the Real Estate Center at Texas A&M University. Also in San Antonio Express-News, Houston Chronicle, and others.

“Despite COVID-19, buyer demand, low inventory make for a seller’s market” 7-13-20. Candy’s Dirt. Almost 129,800 people in Texas filed unemployment claims in the first week of July — the largest increase in initial jobless claims since the week of May 16. The increases brings the total number of Texans left jobless during the pandemic to around 2.8 million according to the Real Estate Center at Texas A&M University.

“10 great San Antonio neighborhoods” June/July. San Antonio Magazine. Jim Gaines is in the business of predictions. The chief economist and Ph.D. at Texas A&M University Real Estate Center has over three decades of experience in the housing industry and typically can predict—based on sales data, housing supply and demand and other economic models—what summer home sales might look like in any of the state’s metropolitan areas. This year, he says, absent a crystal ball, there’s no way to know. “There are no models to predict what’s going to happen here,” he says.

“COVID-19, oil price slump rattle Bellaire-Meyerland-West University Place real estate market” 7-11-20. Community Impact Newspaper. However, market trends can vary by neighborhood, depending on the price range of homes, said Luis Torres, a real estate research economist from the Texas A&M University Real Estate Center.

“Texas small land sales volume declines in 2019 while price per acre increases” 7-10-20. NewKerala.com (India). Charles Gilliland, Ph.D., economist with the Real Estate Center at Texas A&M University, commented, property movement statewide was pretty comparable from 2018 to 2019 with the exception of the Panhandle. The significant increase in prices is most likely attributed to the large amount of activity from the oil and gas industry. However, the 2020 picture for small land sales in Texas will be significantly different due to the COVID-19 pandemic.

“Richardson housing market sees spike in activity following COVID-19 shutdowns” 7-2-20. Community Impact Newspaper. There were about 200 homes, or two months of inventory, on the Richardson market in March and April, according to the Texas A&M University Real Estate Center.

“North Texas home sales rebound after pandemic slowdown” 7-8-20. Dallas Morning News. The increase comes after a 25 percent year-over-year drop in May and a 17 percent decline in April, according to data from the Real Estate Center at Texas A&M University and North Texas Real Estate Information Systems.

“Lake Houston-area real estate market steady despite pandemic decline” 7-8-20. Community Impact Newspaper. Luis Torres, a research economist at the Real Estate Center at Texas A&M University, said the national, state and Houston-area economies, including factors such as job loss, play a role in the Greater Houston area’s real estate market. Torres said single-family home sales in the Houston region fell by 16.8 percent in April. However, May’s 7.6 percent drop year over year was not as drastic as April’s.

“Housing market doing well despite COVID-19” 7-7-20. Alice Echo News Journal. Despite massive layoffs across the state, housing demand remained healthy as Texas’ average days on market extended a year-long downward trend, sinking to 57 days, noted by information gathered from the Texas A&M Real Estate Center.

“2020’s best & worst cities for first-time homebuyers” 7-6-20. WalletHub. Policymakers can increase affordability by reducing the regulatory burden on new development. The cost of regulatory requirements is always passed through to buyers. Policymakers mean well when they create new quality of life requirements, but they have to understand that the cost is passed along to buyers. Gerald Klassen, research data scientist, Real Estate Center, Mays Business School, Texas A&M University.
“Realtor: Buyers return to welcoming housing market” 7-1-20. Midland Reporter-Telegram. The market wasn’t kind to many Realtors in Midland during those months. There were 156 sales in April and 150 in May across Midland County – numbers that were down more than 100 year over year. The May number was the lowest since the Texas A&M Real Estate Center started keeping track in 2011. With sales down, inventory spiked, hitting 885 at the end of May, according to A&M. Also in Beaumont Enterprise.

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