

A photograph of the Houston skyline at night, featuring several illuminated skyscrapers against a dark sky. The image is used as a background for the report cover.

Walton®

HOUSTON

REGIONAL MARKET REPORT • Q4 2022

2022



The Houston metropolitan area consists of nine counties: Austin, Brazoria, Chambers, Fort, Bend, Galveston, Harris, Liberty, Montgomery, and Waller. Culturally, Houston is an enormous melting pot, and is the most ethnically diverse metropolitan area in the U.S. The Houston MSA covers 9,444 sq. miles – making it larger than New Hampshire and New Jersey. Despite not being as popular of a relocation spot as its neighboring cities Houston is still the fifth most populous metro in the nation.



Low Cost of Living



Affordable Housing



Strong Job Market



No Individual or Corporate Tax

PEOPLE

POPULATION	7,497,710
MEDIAN AGE	36 y/o
PROJECTED % CHANGE IN 2023	1.4%
HOUSEHOLDS	2,691,480
MEDIAN HOUSEHOLD INCOME	\$84,074

Source: Zonda Home; Market Reports; Neustar

RANK

#1 Most Diverse Metropolitan Area in the U.S.
#5 Most Populous Metro in the U.S.
#7 Largest Metro Economy in the U.S.

Source: U.S. News & World Report; Economy Rankings; WalletHub

JOBS

UNEMPLOYMENT RATE	3.9% (as of Dec. 2022)
TOTAL JOBS 2022	3,356,000
JOBS ADDED Q4 2022	67,000

Source: Bureau of Labor Statistics

ECONOMIC FACTORS

The Houston MSA has a thriving economy and is home to 24 Fortune 500 headquarters. The businesses in the Houston area have shifted their focus to clean energy – investing more than \$1.25B in clean tech, climate tech, and impact investment in 2022. Top industries in the area include Aerospace & Aviation, Advanced Manufacturing, Energy, Life Sciences & Biotechnology.

Top Employers:	# of Employees
1. Houston Methodist	25,543
2. HEB	25,337
3. Walmart	22,854
4. HCA Houston Healthcare	15,000
5. United Airlines	13,500

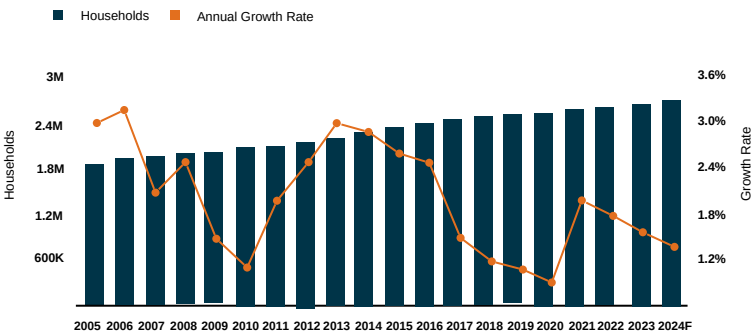
New & Notable Employers:

- Coca-Cola (HQ)
- United Parcel Service (UPS) (HQ)
- Equifax Inc. (HQ)

GROWTH TRENDS

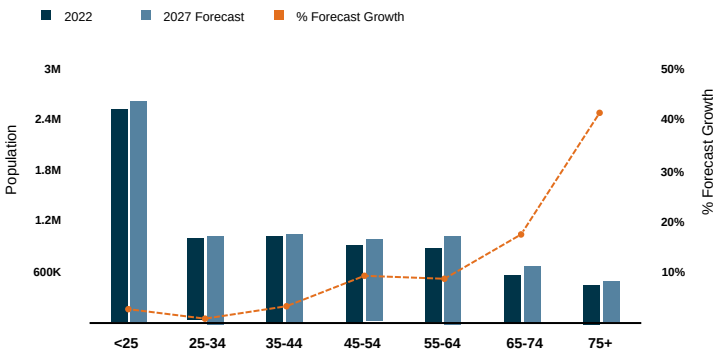
HOUSEHOLD GROWTH

Source: Zonda Home; Market Reports



POPULATION BY AGE

Source: Zonda Home; Market Reports





HOUSING MARKET

Houston remained the second most active new home market in the nation based on starts volume through the fourth quarter of 2022. However, on a year-on-year basis starts decreased by 31% and permits fell by ~33%. The median closing price of a new home in the Houston MSA increased by 9% on a year-on-year basis as of Nov. 2022. Vacant developed lots in the area increased by nearly 40% from one year prior.

NEW MEDIAN CLOSING PRICE

as of Nov. 2022
\$334,400 — **YoY 9.1%**

Source: John Burns Real Estate Consulting

SINGLE-FAMILY PERMITS

Q4 2021
12,034
Q4 2022
8,033 — **-33.2%**

Source: U.S. Census Bureau



TOP HOMEBUILDERS BY RANK

1. D.R. Horton, Inc.	11.8%
2. Lennar	11.5%
3. Perry Homes	4.7%
4. Meritage Homes	4.6%
5. PulteGroup Inc.	4.4%
6. Long Lake Ltd.	3.5%
7. KB Home	3.1%
8. Taylor Morrison	3.1%
9. Highland Homes	2.9%
10. Coventry Homes	2.9%

Source: Zonda Home; Market Reports

MARKET SHARE

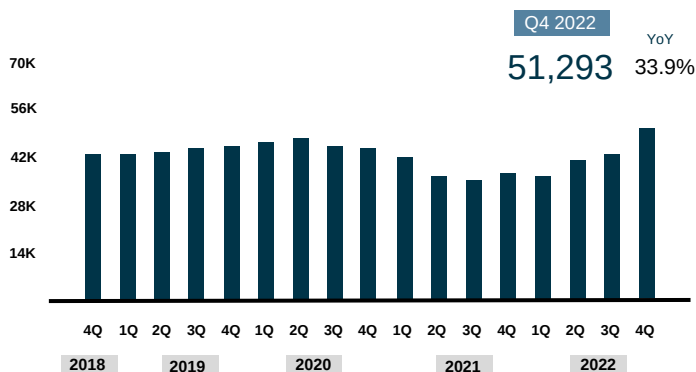
HOME STARTS

YoY
5,623 — **-31.0%**

Source: Zonda Home; Metrostudy

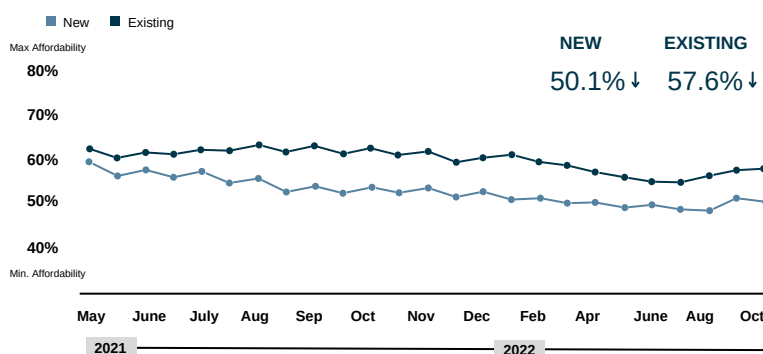
VACANT DEVELOPED LOTS

Source: Zonda Home; Market Reports



AFFORDABILITY RATIO

Source: Zonda Home; Market Reports



RENTAL MARKET

Houston's rental market proved to be a much more affordable alternative to home ownership after a tight Q4. The monthly rent on a typical apartment is ~\$1,500 – or 112% – less than a monthly payment on a typical starter home. The Houston MSA's median rental price increased by 4.5% on a year-on-year basis. Multifamily permits ramped up in the fourth quarter of 2022 by ~60% from the year prior.

MULTIFAMILY PERMITS

Q4 2021
4,377
Q4 2022
7,103 — **60.3%**

Source: U.S. Census Bureau



RENTER OCCUPANCY RATE



Source: John Burns Real Estate Consulting

MEDIAN RENTAL PRICE

as of Dec. 2022
\$1,333 — **YoY 4.5%**

Source: John Burns Real Estate Consulting

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REGIONAL MARKET REPORTS • 4Q22

ARIZONA

MARICOPA COUNTY
PINAL COUNTY

CALIFORNIA

NORTHERN CALIFORNIA
SOUTHERN CALIFORNIA
CENTRAL CALIFORNIA

COLORADO

DENVER
COLORADO SPRINGS

FLORIDA

CENTRAL FLORIDA
SOUTHEAST FLORIDA
NORTHEAST FLORIDA

GEORGIA

ATLANTA
SOUTHEAST GEORGIA

D.C. - VA - MD

MARYLAND
RICHMOND

NEVADA

LAS VEGAS

NORTH CAROLINA

CHARLOTTE

SOUTH CAROLINA

UPSTATE - SPARTANBURG

TENNESSEE

CHATTANOOGA
KNOXVILLE
NASHVILLE

TEXAS

DALLAS-FORT WORTH
AUSTIN
HOUSTON

UTAH

ST. GEORGE

WASHINGTON

SEATTLE
SPOKANE

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