



Builders Post-Tension

GHBA Midyear Forecast Luncheon Summary June 14th, 2023.

Featuring ZONDA Chief Economist Ali Wolf

- The labor markets are still holding up and tight in some industries.
- Net growth despite some layoffs.
- 8% more high income jobs in Houston since before the pandemic.
- 4% unemployment in Houston.
- Inflation is still running hot.
- Feds are still raising rates. Hope for a pause the rest of 2023?
- If the 10-year spread on % rates were to normalize back to historical averages, we would be looking @ % rates in the 5% to low 6%.
- Existing home sales down -23% year over year.
- New home sales are up +8% year-over-year.
- In the Houston market, with home buyer incentives and price adjustments, sales of new homes are below market highs but above pre-pandemic levels.
- Incentives have been averaging almost 4% of home sales price.
- Housing supply remains tight, as sellers weigh their options. (wait for reset % rates, remodel, rent, etc.)
- 60% of buyers say that the current available inventory is pushing their budget. A full 1/3 cannot find what they are looking for.
- Right now, in Houston, the share of new homes being sold, is @ 25%. Historically that # is 22%.
- Top buyers of new homes in 2023 are in order. Move up. Entry level. Relocations. Luxury and then Active Adult communities.
- Existing homeowners are sitting on record equity of \$29.6 trillion dollars.
- 90% of homeowners have an % rate under 5%. 60% under 4%.
- The above can dissuade move up buyers with the current higher % rates.
- Top reasons for leaving an existing residence are, Marriage, Divorce, Death, Empty Nest or downsizing and Family expansion.
- Still pent-up demand for new housing nationally and locally. Keep Building!

Stay Calm and Keep Building!

THNX to Ali Wolf and ZONDA

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