

RESIDENTIAL REAL ESTATE HUB

Jeff Jeffrey covers commercial real estate, residential real estate, construction and architecture

CONSTRUCTION UPDATE
PELICAN BUILDERS TO BUILD ANOTHER CONDO TOWER

Houston-based developer Pelican Builders plans to build a new eight-story condominium tower in River Oaks, just off Kirby Drive. The Lexington, at 2419 Mimosa Drive, will encompass just over 114,000 square feet of residential space and will offer 40 condo units spread across six floors. The building's bottom two floors will be reserved for parking.



COURTESY OF PELICAN BUILDERS
The Lexington, at 2419 Mimosa Drive, will have 40 condo units.

Construction is scheduled to begin in the first quarter of 2023, with the first units being delivered 18 months after groundbreaking, Pelican said. Houston-based Kirksey designed the building. Condos in The Lexington will start at \$1.7 million. However, the four penthouse units will start at \$4.3 million. Douglas Elliman Development Marketing is handling sales for The Lexington.

HOUSING MARKET

REALTOR.COM PREDICTS UPTICK IN HOUSTON HOME SALES

Unlike much of the country, Houston is anticipating an uptick in the number of homes sold next year, but prices are still expected to go up.

A new report released by Realtor.com said the Houston metropolitan area is anticipating a 2.9% increase in the number of homes sold in 2023 over the current year.

Meanwhile, home prices in Houston are expected to see a 4.5% increase year over year.

Those predictions should come as positive news to Houston homebuilders, given that the Houston Association of Realtors recently reported that October marked the seventh-straight month of year-over-year declines in Houston-area home sales.

HAR said single-family home sales dropped 22.8% last month, with 6,641 units sold compared to 8,597 a year ago, and decreases were seen in every pricing segment. Year to date, single-family sales are now 6.7% behind last year's record pace, and single-family pending sales are currently down 23.4% compared to last year. Sales of townhouses and condominiums fell 19.4%, and total property sales dropped 22.7%.

Nationally, Realtor.com's report said home sales are expected to see a 14.1% decline

in 2023. The anticipated total of 4.53 million would mark the lowest level since 2012, the company said.

Home sales prices are not expected to come down, Realtor.com said, but growth is likely to moderate to 5.4%, the first single-digit yearly rate of increase since 2020.

Additionally, the number of existing homes for sale is expected to jump 22.8% year over year, as the inventory refresh that began last summer accelerates, the report said.

According to Realtor.com, Texas cities, with the exception of Austin, are expected to see more home sales than many other parts of the country next year.

Realtor.com said Austin is expected to see a 6.6% decline in the number of homes sold year over year, though home prices are expected to increase by 3%.

Meanwhile, the Dallas-Fort Worth metro area is anticipating an uptick in home sales that is slightly higher than Houston's 2.9% increase.

Realtor.com predicted that DFW will see a 3.1% increase in the number of homes sold in 2023. The organization also predicted the price of DFW homes will increase by 2.2%.

In the San Antonio, Realtor.com said home sales are likely



IMAGE SOURCE | GETTY IMAGES

A new report released by the National Association of Realtors said the Houston metropolitan area is anticipating a 2.9% increase in the number of homes sold in 2023 over the current year.

to tick upward by 2.5%, while home prices jump 4.6%.

2023 will not be so kind to many other parts of the country, Realtor.com said.

In the Oxnard, California area, for example, home sales are expected to plummet by 29.1% next year, the highest decline of any of the markets looked at by Realtor.com. There, home prices are expected to increase by a tepid 1.7%.

Realtor.com's forecast for 2023 is in line with another recent report released by the National Association of Realtors, which determined that the housing market took yet another hit in October.

NAR reported that pending home sales slid for the fifth consecutive month in October. Three of four U.S. regions

recorded month-over-month decreases, and all four regions recorded year-over-year declines in transactions.

"The West region, in particular, suffered from the combination of high interest rates and expensive home prices. Only the Midwest squeaked out a gain," said NAR Chief Economist Lawrence Yun.

NAR's Pending Home Sales Index, a forward-looking indicator of home sales based on contract signings, sank 4.6% to 77.1 in October. Year-over-year, pending transactions slipped by 37.0%.

An index of 100 is equal to the level of contract activity in 2001, NAR said.

"October was a difficult month for home buyers as they faced 20-year-high mortgage rates," Yun said. "The upcoming months should see a return of buyers, as mortgage rates appear to have already peaked and have been coming down since mid-November."

CNBC reported Nov. 30 that the average interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$647,200 or less) fell to 6.49% last week, down from 6.67% the preceding week, according to the Mortgage Bankers Association's seasonally adjusted index.



Experience Matters
Sharon Ballas

713.822.3895 | sharonballas@greenwoodking.com



11526 Shadow Way
Piney Point | \$4,475,000



11111 Claymore
Piney Point | \$4,300,000



900 Kuhlman
Hunters Creek | \$1,950,000