

TEXAS *HOUSING* INSIGHT

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*This report reflects December 2025
MLS data, the latest data available
at the time of publication.*

TEXAS HOUSING OVERVIEW, FEBRUARY 2025

Disclaimer: The December 2025 figures are based on more complete data and have been revised from their initial release.

Home Sales

▲ 6.1% YOY

Home Price Index

▼ 0.7% YOY

Active Inventory

▲ 13.7% YOY

Permits

▼ 11.6% YTD

The Texas housing market ended 2025 on firmer footing than it began, posting moderately higher annual sales than the previous year. This marked the second consecutive year of sales recovery. The modest upward momentum reflects improving affordability as mortgage rates eased and market conditions shifted, favoring buyers amid a broader adjustment to the post-pandemic higher-rate environment.

The year was shaped by two competing forces that placed sustained downward pressure on prices: a rapid buildup of inventory on one hand and persistent affordability challenges on the other. Home prices softened across most major markets, led by Austin, where property values have been on a steady decline since peaking in early summer 2022. Even Houston, typically supported by a strong economic base and steady population growth, has seen annual price appreciation turn negative in recent months.

Seller activity surged. New listings reached a level not seen before, during, or after the pandemic. As households gradually adjust to the post-pandemic interest rate environment, many owners who delayed listing during the height of the rate lock-in are quietly re-entering the market as both sellers and buyers. Normal housing turnover, driven by job changes, family needs, and other life events, doesn't always wait for ideal interest rates. Anecdotal evidence also points to increased listing activity from owners who purchased during the pandemic and are now attempting to time the market.

The volume of single-family building permits in 2025 declined from a year earlier. As migration into the state continues to moderate from its pandemic peak. Permit activity is also normalizing but is still expected to remain above prepandemic levels.

Heading into 2026, the market faces elevated inventory pressure. Sales activity is expected to strengthen further as mortgage rates have eased relative to last year. With rates projected to remain near the 6 percent range, the market is likely to continue its gradual shift toward a more balanced and normalized environment.

DECEMBER SALES UP AND ANNUAL SALES IN POSITIVE GROWTH

Table 1

DECEMBER 2025 STATE & NATIONAL SALES

	Closed Sales	YoY Change	YTD Change	Median Price	Pending Sales YoY
Texas	28,419	6.1%	1.3%	\$330,000	7.2%
U.S.	346,000	5.2%	0.0%	\$405,100	(3.0%)

Notes: The sales numbers reflect actual sales, not the seasonally adjusted rate.

Source: Texas REALTORS and National Association of REALTORS data (accessed at Haver Analytics)

- December sales posted a strong 6.1 percent year-over-year (YoY) gain, lifting full-year 2025 sales to a positive 1.3 percent growth. In total, approximately 336,000 transactions were recorded statewide, up from 331,000 the year before.
- December’s median home price held steady at \$330,000 month-over-month (MoM) but was down a modest 2.9 percent YoY from December 2024’s \$340,000.
- Nationally, seasonally unadjusted home sales rose 5.2 percent in December. For the full year, 4.06 million homes were sold—essentially unchanged from the prior year. Across U.S. regions, annual sales edged up in the Northeast (0.8 percent), Midwest (0.6 percent), and South (0.4 percent), while the West posted a 2.4 percent decline.
- At year-end 2025, the national median price for existing single-family homes reached \$405,100, slightly above the \$403,700 recorded a year earlier.

MONTHLY MARKET SNAPSHOT: DECEMBER SALES AND INVENTORY TRENDS

Table 2

TEXAS HOUSING MARKET INDICATORS

Sales Activity	Dec-2023	Dec-2024	Dec-2025
Average Days on Market	63	69	77
Turnover Rate	21.0%	16.9%	15.8%
Median Seller Price Cuts	\$15,000	\$15,000	\$19,900
Sale-to-List Price Ratio	0.96	0.96	0.94

Active Inventory	Dec-2023	Dec-2024	Dec-2025
Months' Supply	3.4	4.1	4.6
Average Days on Market	95	102	110

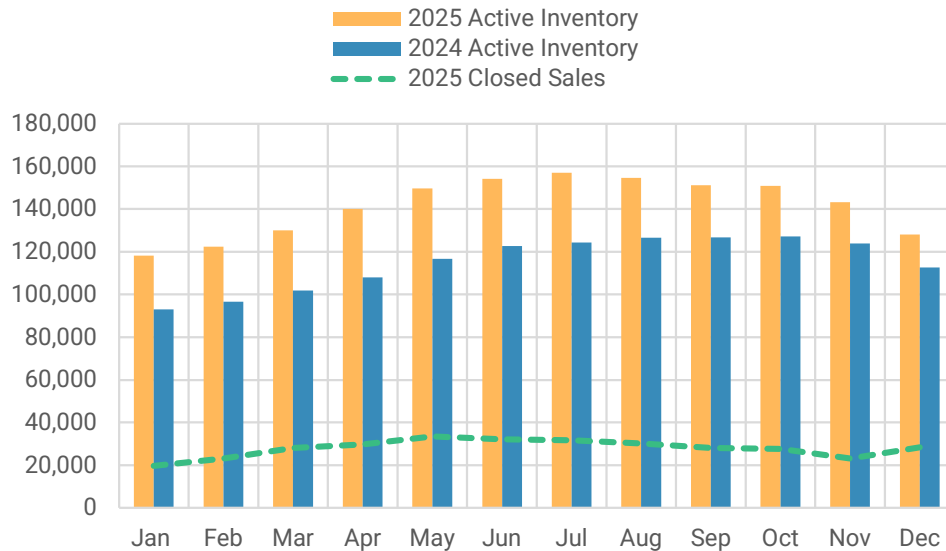
Notes: The turnover rate is calculated as pending sales divided by inventory, where inventory is the average of month-beginning and month-end inventory.

Source: Texas Real Estate Research Center analysis of Data Relevance Project and Texas REALTORS data

- In December, homes sat 77 days on the market before being sold, rising sharply from 69 days in 2024 and 63 days in 2023.
- Under the supply pressures, sellers continued offering larger price concessions. In December, the median price cut reached \$19,900, the highest year-to-date and amounting to a 6 percent reduction from the original asking prices.
- As of December, active inventory stood at a 4.6-month supply, down sharply MoM since November, as sellers accelerated delistings. YoY, December’s inventory level remains significantly higher than in both 2024 and 2023.
- Average days-on-market (DOM) for unsold inventory continued to climb and reached 110 days, compared to 102 days in 2024 and 95 days in 2023.
- While sales activity saw modest improvement in 2025, overall market liquidity remained significantly constrained, with inventory turnover hovering below 20 percent, a level last seen in 2012 at the trough of the Great Recession.

2025: A YEAR OF SIGNIFICANT INVENTORY PRESSURE

Figure 1
ACTIVE INVENTORY, 2025



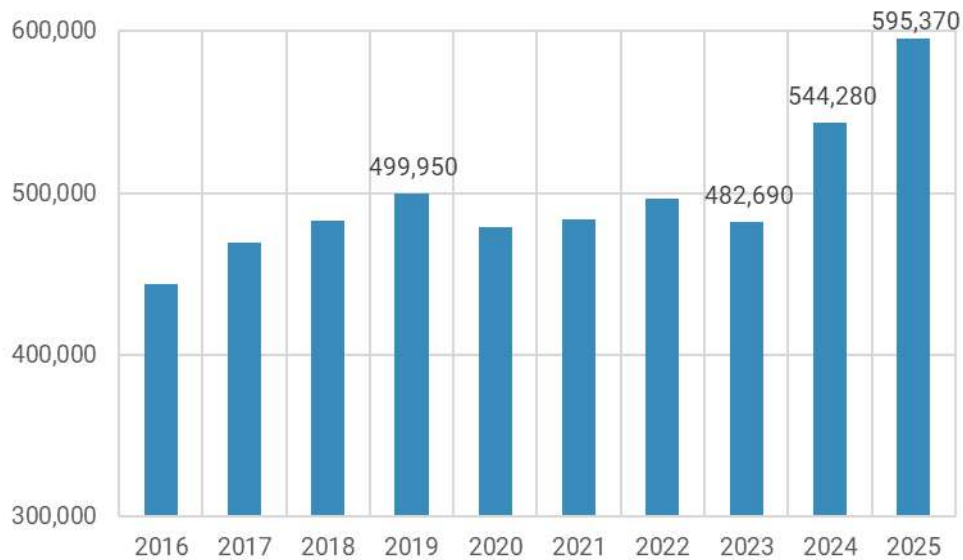
Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

- In December, inventory pulled back at what was considered a normal seasonal decline between November and December. YoY, 2025 year-end inventory remained 13.7 percent above last year's. In total, there were approximately 128,100 active listings at the start of 2026.
- Throughout 2025, inventory remained at an elevated level relative to constrained buyer demand, placing significant pricing pressures on sellers. Over two-thirds of closed sales in November and December involved price cuts of 3 percent or more from the initial listing. On average, sellers reduced prices by 7.4 percent, with a median cut of 5.4 percent.
- Meanwhile, elevated supply conditions continued to give buyers more options and more attractive pricing while mortgage rates eased. In the second half of 2025, sales rose 2.5 percent, contributing to the year's overall growth.

2025: A YEAR OF RENEWED SELLER ACTIVITY

Figure 2

ANNUAL NEW LISTING ACTIVITY



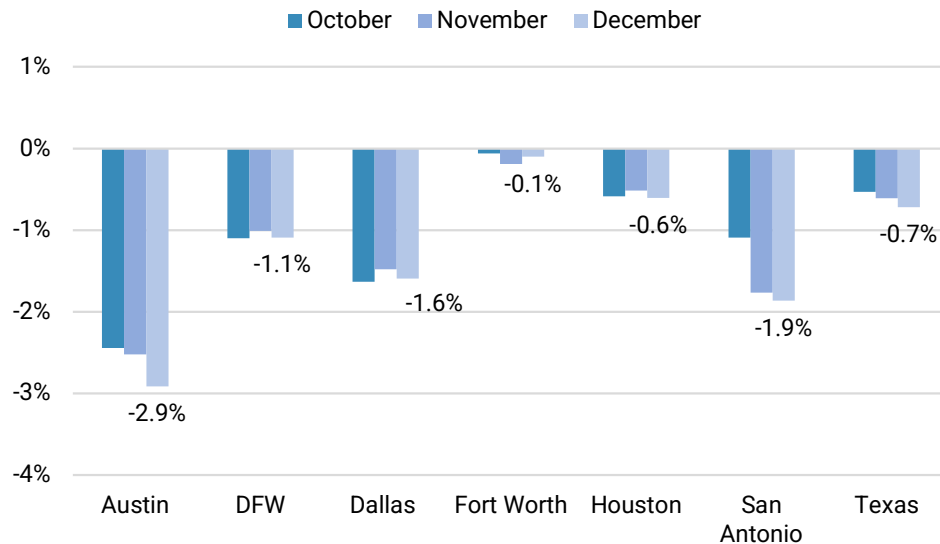
Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

- Even with mortgage rates holding stubbornly over 6 percent, seller activity began to show more signs of life. A record 595,370 new listings came to market in 2025, up 9.4 percent from the previous year.
- Seller activity first surged sharply in 2024 after declining in 2023 following interest rate hikes as millions of existing homeowners became locked in to their low and ultra-low mortgage rates.
- While some of the increase reflects a steady flow of new construction coming on the market during 2024 and 2025, new listings of existing homes had the sharpest rise, up 10.7 percent in 2025 and 12.8 percent the previous year.
- As households gradually adapt to the post-pandemic interest-rate environment, job changes, family needs, and other life events are quietly regaining momentum, helping to drive housing turnover.

TEXAS HOME PRICE DECLINES PERSIST

Figure 3

TEXAS HPI: TEXAS AND REGIONAL HOME PRICE TRENDS



Note: The year-over-year change in the price index is calculated as a three-month moving average.

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

- The pace of price-softening continued through December, showing little signs of easing. Statewide, YoY home prices declined 0.7 percent, a small and persistent uptick from the declines of 0.6 percent in November and 0.5 percent in October.
- Pricing pressures continued to intensify in Austin and San Antonio, where home prices declined YoY by 2.9 percent and 1.9 percent, respectively, both at a faster pace of declines than in prior months.
- In Dallas, home prices have steadily weakened since spring 2025, marking nine consecutive months of YoY price declines in the 1.2 to 1.7 percent range.
- In the more affordable Fort Worth-Arlington-Grapevine market area, prices have remained relatively flat through December.
- In Houston, prices also softened, falling 0.6 percent YoY in December. December marks the fifth consecutive month of annual price declines.

LOCAL HOUSING MARKET INDICATORS

Table 3

METRO LEVEL HOME SALES, DECEMBER 2025

Texas Metros	Monthly Sales	Sales YOY%	Sales YTD%	Median Price
Abilene	250	64.5%	26.4%	\$250,000
Amarillo	242	21.6%	6.5%	\$264,000
Austin-Round Rock-San Marcos	2,740	9.4%	(1.8%)	\$429,000
Beaumont-Port Arthur	261	(9.7%)	5.8%	\$216,000
Brownsville-Harlingen	253	29.7%	6.3%	\$261,000
College Station-Bryan	236	(7.8%)	3.1%	\$326,700
Corpus Christi	438	8.7%	4.6%	\$275,000
Dallas-Fort Worth-Arlington	7,790	4.1%	0.5%	\$375,000
Eagle Pass	17	(19.1%)	(6.0%)	\$269,500
El Paso	745	1.4%	2.3%	\$275,000
Houston-Pasadena-The Woodlands	7,581	3.9%	3.0%	\$330,000
Killeen-Temple	494	12.3%	4.5%	\$269,900
Laredo	77	(15.4%)	(7.3%)	\$273,000
Longview	208	10.1%	(2.1%)	\$265,000
Lubbock	476	14.4%	4.2%	\$235,000
McAllen-Edinburg-Mission	336	6.3%	2.2%	\$246,000
Midland	216	(5.7%)	6.9%	\$367,500
Odessa	129	(18.4%)	(6.6%)	\$298,000
San Angelo	108	6.9%	6.1%	\$275,000
San Antonio-New Braunfels	2,851	9.2%	(3.0%)	\$310,000
Sherman-Denison	235	11.4%	(1.0%)	\$297,000
Texarkana	69	30.2%	(1.5%)	\$215,000
Tyler	222	4.7%	5.3%	\$297,300
Victoria	63	21.2%	1.3%	\$250,000
Waco	222	(2.6%)	1.1%	\$271,600
Wichita Falls	150	30.4%	2.5%	\$192,500
Rural Area (not in MSAs)	2,010	9.6%	1.1%	\$243,100
Texas	28,419	6.1%	1.3%	\$330,000

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

Table 4

METRO LEVEL MONTH-END INVENTORY, DECEMBER 2025

Texas Metros	Active Listings	Active Listings YoY%	New Listings YoY%	Months' Supply
Abilene	478	(37.4%)	15.5%	2.1
Amarillo	820	(14.9%)	(2.6%)	3.1
Austin-Round Rock-San Marcos	10,239	19.5%	1.6%	4.1
Beaumont-Port Arthur	1,322	(5.5%)	(4.4%)	4.4
Brownsville-Harlingen	1,582	4.6%	20.0%	6.9
College Station-Bryan	1,200	16.7%	14.6%	4.3
Corpus Christi	3,019	8.4%	(13.2%)	6.9
Dallas-Fort Worth-Arlington	26,954	8.6%	(2.6%)	3.5
Eagle Pass	239	23.2%	10.3%	11.3
El Paso	2,746	13.3%	7.2%	3.8
Houston-Pasadena-The Woodlands	33,731	18.6%	8.3%	4.5
Killeen-Temple	2,593	13.7%	26.1%	4.9
Laredo	619	15.5%	(5.3%)	7.1
Longview	1,141	13.7%	29.0%	5.6
Lubbock	1,607	15.3%	1.1%	3.7
McAllen-Edinburg-Mission	2,955	17.8%	17.4%	8.6
Midland	645	22.6%	27.2%	2.9
Odessa	389	45.7%	7.7%	2.8
San Angelo	539	11.4%	16.1%	4.2
San Antonio-New Braunfels	14,250	10.5%	(11.6%)	5.1
Sherman-Denison	1,213	14.4%	24.8%	6.1
Texarkana	413	25.9%	26.5%	6.7
Tyler	1,270	34.0%	13.5%	5.5
Victoria	310	5.8%	(16.3%)	4.6
Waco	1,304	23.5%	17.0%	5.2
Wichita Falls	575	(0.5%)	(10.8%)	3.9
Texas	128,077	13.7%	3.3%	4.6

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

Table 5

SINGLE-FAMILY HOUSING PERMITS, DECEMBER 2025

Texas Metros	Year-to-Date Units	YoY%, YTD	Permit Unit Value	Unit Value YoY%
Abilene	829	95.5%	\$205,800	(4.5%)
Amarillo	646	0.9%	\$295,100	3.8%
Austin-Round Rock-San Marcos	14,957	(9.5%)	\$309,500	2.2%
Beaumont-Port Arthur	847	(1.1%)	\$308,900	2.0%
Brownsville-Harlingen	1,797	8.3%	\$207,500	7.4%
College Station-Bryan	1,778	22.0%	\$184,700	(8.1%)
Corpus Christi	2,103	11.6%	\$279,500	6.1%
Dallas-Fort Worth-Arlington	39,230	(16.6%)	\$304,400	(1.6%)
El Paso	1,813	(7.2%)	\$235,100	(1.1%)
Houston-Pasadena-TheWoodlands	46,343	(12.3%)	\$300,900	0.8%
Killeen-Temple	2,437	(16.8%)	\$262,000	(1.0%)
Laredo	1,029	(10.8%)	\$278,600	0.8%
Longview	236	(8.9%)	\$252,800	3.0%
Lubbock	2,050	6.1%	\$288,800	8.9%
McAllen-Edinburg-Mission	4,527	3.1%	\$262,800	4.5%
Midland	1,322	(12.2%)	\$266,000	12.2%
Odessa	921	(8.3%)	\$296,000	9.7%
San Angelo	333	44.2%	\$296,200	(0.2%)
San Antonio-New Braunfels	8,592	(21.3%)	\$285,700	2.2%
Sherman-Denison	1,184	(20.6%)	\$301,600	2.3%
Texarkana	93	16.3%	\$233,800	(2.6%)
Tyler	527	16.9%	\$290,900	2.9%
Victoria	44	2.3%	\$296,000	20.7%
Waco	782	5.8%	\$283,200	0.8%
Wichita Falls	142	(39.1%)	\$286,600	2.3%
Eagle Pass	64	6.7%	\$308,200	13.3%
Texas	140,087	(11.6%)	\$291,400	0.4%

Notes: Permit value is builder estimated construction cost of the residential structure, not including land acquisition cost. **Source:** Survey of New Construction of U.S. Census Bureau