

Presidential Elections and Austin's Housing Market: What to Expect



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As the 2024 presidential election approaches, many wonder how it might impact the housing market, especially with potential buyers holding off due to high mortgage rates. Generally, presidential elections do not significantly impact home sales activity. But historical trends suggest an unexpected twist: Austin's housing market often heats up in the months following a presidential election. What does this mean for the rest of 2024?

Election Year Surge in Austin-Area Home Sales

The months following a presidential election have historically been more active for Austin's housing market, with sales and prices showing above-average gains. Since 1990, the Austin-Round Rock-San Marcos area has consistently seen higher-than-average sales growth in October, November, and December during presidential election years. In these periods, year-over-year (YoY) closed sales were nearly double those of non-election years.

For example, YoY closed sales in November during election years averaged 10.7%, compared to 6.3% overall. This trend reflects a unique post-election boost, likely as households regain confidence and move forward with major purchases.

Mortgage Rates and Market Conditions

Mortgage rates have remained elevated (between 6% and 8%), meaning housing affordability challenges due to reduced buyer purchasing power will likely persist into early 2025.

Although the Federal Reserve cut rates in September 2024, mortgage rates increased by 0.5 percentage points shortly after. Even as the Federal Reserve is expected to lower interest rates another 0.5 percentage points by the end of the year, any resulting change in mortgage rates is not likely to be significant.

Looking Ahead

Historically, Austin's market has shown resilience during election years. While factors like mortgage rates will continue to impact housing affordability, historical patterns suggest that Austin-area housing activity could still see a boost following the election. For more Central Texas housing market data, visit ABOR.com/Research.

Table 1. YoY Closed Sales (1990-2020)

Month	Texas		Austin-Round Rock-San Marcos MSA	
	All Years	Presidential Election Years	All Years	Presidential Election Years
October	4.1%	9.5%	5.8%	12.5%
November	4.9%	12.3%	6.3%	10.7%
December	4.2%	9.0%	4.9%	10.9%

Table 2. Median Sales Price (1990-2020)

Month	Texas		Austin-Round Rock-San Marcos MSA	
	All Years	Presidential Election Years	All Years	Presidential Election Years
October	5.5%	7.9%	6.3%	8.4%
November	5.5%	7.9%	6.2%	8.7%
December	5.5%	6.0%	6.3%	7.1%

Source: Texas Real Estate Research Center at Texas A&M University, UnlockMLS