



Owen Ye

Licensed Texas Real Estate Agent | Real Estate Consultant

Mortgage Loan Originator, Loan Factory · NMLS #2541101 · Equal Housing Lender

Phone (347) 774-5396

WeChat Owenyerealtor

Website owenrealestatetx.com

Email owenyerealtor@gmail.com

Serving the Greater Houston Area

Houston Home Prices by Tier: Where Your Budget Actually Lands

See the whole market first, then find your tier

Buying in Houston at \$300,000 and at \$800,000 are nearly two different markets: different competition, different loans, different traps. Using the Houston Association of Realtors (HAR) September 2026 closing data, this guide cuts the market into tiers — how many homes actually sold in each price band and what share each one holds — then explains the real rules of each tier, and finally helps you place your own budget, or the home you already own, on that map.

Section 1: The Whole Map — Where September 2026 Closings Actually Landed

Source: HAR, September 2026

Start with the map itself. In September 2026, the Houston metro recorded 7,030 single-family closings, down 5.7% year over year. The median price was \$325,000 — essentially flat against last year — and the average was \$421,311. There were 40,192 homes on the market, 5.5 months of inventory, and an average of 58 days on market. Here is the closing distribution across the six price bands HAR publishes (shares are approximations computed from the counts HAR released):

Under \$100,000	111 sales · ~1.6%
\$100,000–\$149,999	188 sales · ~2.7%
\$150,000–\$249,999	1,359 sales · ~19.3% · -8.4% YoY
\$250,000–\$499,999	3,878 sales · ~55.2% · -5.7% YoY
\$500,000–\$999,999	1,189 sales · ~16.9% · +0.6% YoY
\$1,000,000 and above	304 sales · ~4.3% · -8.2% YoY

The one-line takeaway: more than half of everything that closes sits in the \$250,000–\$499,999 band, and the \$325,000 median lands in the lower half of that same band. Every judgment about “expensive” or “competitive” has to be read against this table first — price talk without a tier is meaningless.

Section 2: Tier by Tier — Each Band Plays by Different Rules

Four Tiers

1. Under \$250,000: a game of speed and loan paperwork

Together these bands hold only about 23.6% of closings, and the \$150,000–\$249,999 band is still shrinking (-8.4% year over year). Supply is mostly older resale homes, smaller floor plans and some investor stock: when a good one appears, you are not the only one looking. This tier is not won on haggling — it is won on whose loan file is complete and who can decide fastest.

This is also the home turf of FHA loans and official down payment assistance: the gap in down payment and closing costs can be partly covered by state-level programs (see this site's [Houston Buyer Assistance guide](#)). But keep the order straight — vet the house first. Age means a higher chance of big-ticket spending on the roof, cast-iron plumbing and the foundation; and in some communities the MUD tax has not yet stepped down, which can push the monthly payment up a notch. Buying cheap and owning expensive is this tier's most common trap.

2. \$250,000–\$500,000: the main arena, priced by school district

About 55% of all closings happen here, and the median price lives here too — this is the main arena for Houston families. Inside this band, the biggest price driver is not the house; it is the school district and the location. The same four-bedroom, two-bath floor plan can differ by tens of thousands of dollars across a district boundary. Ask at every showing: is this price gap buying an extra room, or an extra school zone?

This tier also forces one key either-or: a new suburban build, or a resale home in a mature neighborhood. New-build money buys a new structure, a builder warranty and builder incentives, at the cost of commute distance and a higher early MUD tax. Resale money buys location, mature trees and a settled community, at the cost of age-related maintenance lining up. Neither is “the better deal” — only the better fit for your next ten years.

3. \$500,000–\$1,000,000: you are buying location and the premium structure

This band holds about 16.9% of closings and was the only one still growing in September 2026 (+0.6%) — when the market cools, it holds up best. At this level, differences between houses shrink while differences between locations, districts and lots widen: a growing share of the price pays for position, not bricks. So the key exercise here is splitting the bill — how much of this price buys land, and how much buys house? The land portion usually holds its value better at resale, too.

On the loan side, this is where structures start to split. As the loan amount approaches the conforming limit, underwriting starts behaving like jumbo (the exact line is Section 3). On the same house, one notch of down payment can be the difference between a conforming loan and a jumbo loan, with different approval difficulty and payment structure — before you offer, have the lender run the numbers both ways.

4. \$1,000,000 and above: a different rulebook

This band is only about 4.3% of closings (304 sales), yet it accounts for close to a fifth of the metro's dollar volume. Three things are fundamentally different from the middle tiers: cash buyers make up a far larger share, so a loan is no longer the default; the homes are distinctive, so bank appraisals fall behind contract prices more often; and the buyer pool is small, so selling cycles are measured in months, not weeks. The data and the buying method for this tier get their own guide: this site's [Houston Luxury Homes](#).

If your budget hovers around this line, decide first whether you are buying “a bigger ordinary house” or “a ticket into the luxury tier” — the taxes, insurance, upkeep and the resale audience are entirely different, and so is the decision framework.

Section 3: The Line Most People Get Wrong — Jumbo Is About the Loan, Not the Price

2026 limit: \$832,750

First, correct the most common misunderstanding: the jumbo line is drawn on the loan amount, not the home price. The Federal Housing Finance Agency (FHFA) publishes the conforming loan limit every year. For 2026, the baseline limit for a one-unit home is \$832,750 (announced November 25, 2025), and Harris County uses that national baseline — there is no high-cost uplift here. At or below the line, a loan is conforming and can be bought by Fannie Mae or Freddie Mac. Above it, the loan is jumbo.

Why the line matters

Conforming loans are bought by government-sponsored enterprises, so funding is deep and underwriting is standardized. Jumbo loans stay on the bank's own books and are underwritten more deeply: income and asset documents, months of reserves and the appraisal all get a harder look, and pricing is set bank by bank — it is simply not the same rulebook. The

same buyer and the same house can land on either side of this line purely because of the down payment, with visibly different approval difficulty and payment structure.

Converted to price, where does the line bite?

A simple conversion (not an official figure — just to place yourself): with 20% down, the loan is 80% of the price, so the loan reaches \$832,750 at a price of about \$1,040,938. In other words, homes right around the million mark are exactly the conforming–jumbo watershed. The more you put down, the higher the price at which you cross. If you are shopping in the \$500,000–\$1,000,000 band, have the lender price the loan both ways — conforming structure and jumbo structure — before you decide how to arrange the down payment.

Section 4: Place Your Own Home on the Map

Find Your Square

1. Already own a home: find out which tier it sits in now

Put your own address into this site's [Home Check tool](#) for its current valuation and the market around it, then read it against the Section 1 table: which tier your home sits in, and what inventory and pace that tier is running at right now. When you eventually move, you will be selling in one tier and buying in another — switch rulebooks in advance, on both sides.

2. Still shopping: set the tier before the tour list

Convert the budget into a tier first, then choose neighborhoods and floor plans — it cuts out a lot of wasted tours. Low tiers are won on speed and complete files; middle tiers on district trade-offs and the new-build versus resale decision; high tiers on splitting the land-versus-house bill and on loan structure. Get the tier wrong and every later step fights you.

3. Tiers move — re-check the map

Price bands are not carved in stone: HAR updates the closing distribution every month, and the FHFA resets the loan limit every year. Before buying, trading up or refinancing, it is worth re-reading this map against the newest data — which is exactly why this guide prints its data dates in the open.

One last note: a tier is a coordinate, not a verdict. A \$320,000 home that fits your life beats an \$800,000 home in the wrong location. The map exists so that, before you act, you know which market you are standing in.

**Want to place your budget — or your home — on this map with real numbers? Free consultation:
(347) 774-5396 | owenrealestatetx.com**

Owen Ye

Licensed Texas Real Estate Agent | Real Estate Consultant

Mortgage Loan Originator, Loan Factory · NMLS #2541101 · Equal Housing Lender

Phone (347) 774-5396
WeChat Owenyerealtor
Website owenrealestatetx.com
Email owenyerealtor@gmail.com
Serving the Greater Houston Area

This guide is general information only and is not a loan commitment or a guarantee of value. Market figures come from the HAR September 2026 Housing Market Update (released October 14, 2026); shares are approximations computed from the closing counts HAR published. The loan limit is the FHFA 2026 conforming loan limit (announced November 25, 2025). Figures checked October 31, 2026. The market moves every month — confirm the latest data before deciding.

Feel free to share this guide with friends who may find it helpful.