

February 2024

Monthly Research Update

National Association of REALTORS®
Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

Data



Existing-Home Sales - Existing-home sales climbed in February. Among the four major U.S. regions, sales jumped in the West, South, and Midwest and were unchanged in the Northeast. Year-over-year, sales declined in all regions. Total existing-home sales bounced 9.5% from January to a seasonally adjusted annual rate of 4.38 million in February. Year-over-year, sales slid 3.3% (down from 4.53 million in February 2023).



Pending Home Sales - Pending home sales in January grew 1.6%. The Midwest and South posted monthly gains in transactions, while the Northeast and West recorded losses. All four U.S. regions registered year-over-year decreases. The Pending Home Sales Index increased to 75.6 in February. Year over year, pending transactions were down 7.0%. An index of 100 is equal to the level of contract activity in 2001.



Housing Affordability Index - Housing affordability rose to 105.5 in January from 102.2 in December. An index above 100 means that a family with a median income has more than the income required to afford a median-priced home.



REALTORS® Confidence Index - Properties typically remained on the market for 38 days in February, up from 36 days in January and 34 days in February 2023. First-time buyers were responsible for 26% of sales in February, down from 28% in January and 27% in February 2023. All-cash sales accounted for 33% of transactions in February, up from 32% in January and 28% one year ago.



Special Report

[NAR Highlights Dire Lack of Housing Affordability and Inventory in Congressional Testimony](#) -

Dr. Jessica Lautz, deputy chief economist and vice president of research at the National Association of REALTORS®, today testified(link is external) before the House Committee on Financial Services Subcommittee on Housing and Insurance.

During the hearing, "The Characteristics and Challenges of Today's Homebuyers," Lautz shared NAR's existing-home sales research with members of Congress. She emphasized that in 2023, the annual number of existing-home sales was at the lowest recorded since 1995. While January 2024 shows an increase in home sales, this follows a retraction in the housing market due to limited inventory and an erosion in housing affordability.

Lautz pointed to NAR's research, confirming that bidding wars for homes are more frequent due to the lack of housing inventory. She outlined research from the association showing that in January 2024, the typical seller received 2.7 offers, and 16% of homes sold were over the list price. Further, she explained that home prices continue to rise because of the lack of inventory, pushing more potential buyers out of the market.

[Read the full article here >](#)



Reports



County Median Home Prices and Monthly Mortgage Payments -

The interplay between home prices and mortgage rates significantly influences the magnitude of a mortgage payment. Although mortgage rates started to fall at the end of 2023, they remain significantly higher than the previous year. A notable example: the monthly mortgage payment in Santa Clara County has surged by nearly \$1,010 compared to the previous year.



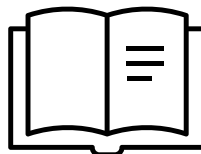
February 2024 Foot Traffic - February showings were up 4% year-over-year. Showings increased in one of the four regions: The South had the only increase of (10%). The West and the Midwest both were flat. (0%) The Northeast region declined(-5%). Foot traffic has a strong correlation with future contracts and home sales, so it can be viewed as a peek ahead at sales trends two to three months into the future.



March 2024 Commercial Real Estate Market Insights – In February, the Commercial Real Estate (CRE) market presented a mixed picture, with certain sectors showing resilience while others continued to face uncertainties and losses. The office sector has unquestionably borne the brunt of the most severe and persistent challenges than any other CRE category, and its outlook remains uncertain. The industrial sector has slowed down, with demand falling beneath levels seen before the pandemic. However, multifamily and neighborhood retail sectors remain strong. In the meantime, lower interest rates later this year are expected to create a more favorable environment for the CRE market by reducing costs, increasing demand, and stimulating economic activity.



Local Market Reports – All real estate is local, and every market is unique. To help REALTORS® and other housing market analysts get the most out of the plethora of data that is available, NAR Research produces a series of Local Market Reports (LMRs), which provide insights into the fundamentals and direction of the nation's largest metropolitan housing markets. Each report evaluates a number of factors affecting home prices, including the health of the local job market, foreclosure rates, housing inventory, debt-to-income, and mortgage-servicing-costs-to-income ratios



Articles on the Economy



[In Honor of Women's History Month, a Look at Successes and Challenges for Women in Homeownership](#) - We're seeing more and more women becoming homeowners, with single women making a notable impact in the housing market.



[Where Did People Move To and From in 2022?](#) - In 2022, affordability issues and the ability to work remotely drove 8.2 million Americans to move to different states. Let's take a look at these migration flows.



[Housing Affordability Conditions Made Progress in January 2024](#) - Single women home buyers are surpassing all odds in the housing market and purchasing homes with lower household incomes in an increasingly unaffordable housing market.



[Gen Z and Millennial Home Buying Hotspots: Where Young Buyers Are Putting Down Roots](#) - The National Association of REALTORS® computed the median age of home buyers within each region, state, and among the 200 largest metro areas.



[The Share of All Cash Buyers Highest Since 2014 at 32% of All Buyers](#) - Since October 2022, all-cash home buyers who did not finance their recent home purchase have been more than one-quarter of the real estate market..



[15% of 221 Metro Areas Had Double-Digit Year-Over-Year Price Increases in 2023 Q4](#) - Home prices continued to rise in the fourth quarter of 2023, and single-family home prices had positive gains in 85.5% of 221 metro areas.



[Buyers of New Homes Want Real Estate Agent Representation](#) - New home buyers value agents' help in understanding the buying process, improving the search areas, helping with negotiation, and shortening the home search time.



[Migration Plays a Role in Restoring U.S. Population to Pre-Pandemic Levels](#) - U.S. population trends are returning to pre-pandemic levels because of decreased deaths and increased migration, resulting in the largest gains since 2018.

