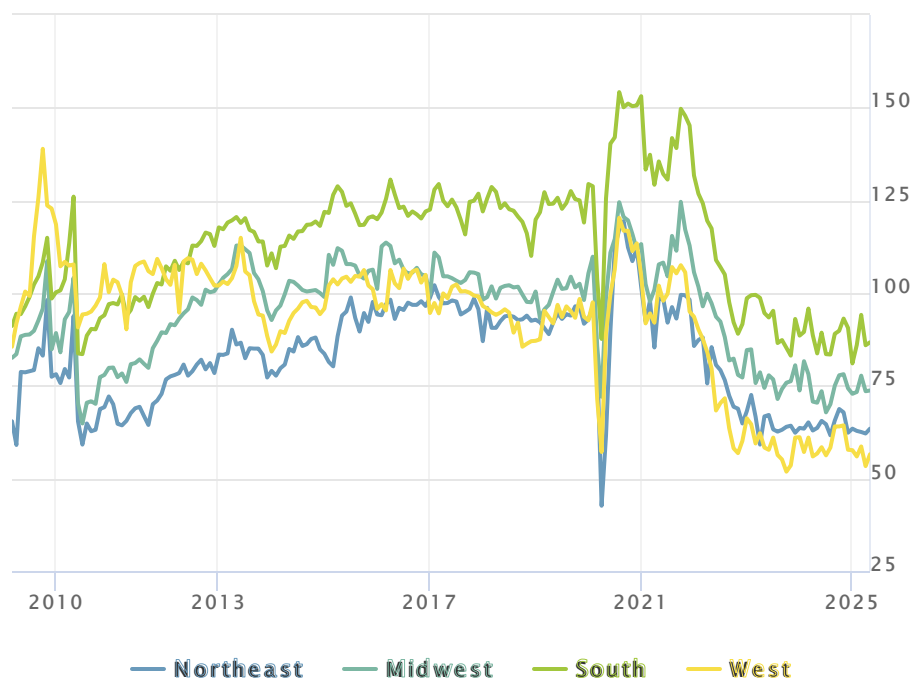




April's Pending Home Sales Unchanged, Stalled by Regional Declines

The number of contracts to purchase pre-owned homes was **unchanged** in April. The National Association of Realtors® (NAR) said its Pending Home Sales Index (PHSI), a forward-looking indicator of existing home sales, remained at the March level of 78.9. The index had seen some improvement over the first three months of the year but is now down 20.3 percent on an annual basis.

Pending Home Sales



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NAR Chief Economist Lawrence Yun attributed the lackluster sales during what is usually residential real estate's most active season is due in part to ongoing inventory restraints. He added, "Affordability challenges certainly remain and continue to hold back contract signings, but a **sizeable increase in housing inventory will be critical to get more Americans moving.**"

While **three of the four major regions saw an uptick in new sales contracts**, those changes were **negated by a sizeable decline in the fourth**. The PHSI in the **Northeast fell 11.3 percent** from March to 59.1 and was 21.8 percent lower than the prior April. The **Midwest's index improved 3.6 percent** to 78.4 which was down 21.4 percent on an annual basis.

Pending sales in the **South rose 0.1 percent** to 99.6 in April while sinking by 16.7 percent year-over-year. A **4.7 percent increase in the West** took that PHSI to 62.2, a 26.0 percent decline from April 2022.

The Pending Home Sales Index is a leading indicator for the housing sector, based on pending sales of existing homes which are usually finalized within one or two months. The PHSI was benchmarked at 100 in 2001, a number equal to the average level of contract activity during that year.

Yun noted that the South's April reading was only a fraction of a point below the benchmark level. **"Minor monthly variations in regional activity are typical,"** he said. "However, cumulative results over many years clearly point towards a much greater number of home sales in the South. The South's pending home sales activity is similar to that of 2001, but the Midwest's activity has decreased by 22 percent in that same period, and the Northeast and West regions are both about 40 percent lower than they were in 2001."

Existing-Home Sales for May will be reported on June 22.