



Pending Sales Slide to 20-year Low

The National Association of Realtors® (NAR) said its Pending Home Sale Index (PHSI) established a record low in October. The Index, a forward-looking indicator of contracts signed to purchase single-family homes, townhomes, condominiums, and cooperative apartments, dropped 1.5 percent to 71.4 in October, the **lowest number since the index was originated in 2001**. The Index has now fallen 8.5 percent in the last year.

Pending Home Sales



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Lawrence Yun, NAR's chief economist said, "During October, mortgage rates were at their highest, and contract signings for existing homes were at their lowest in more than 20 years. Recent weeks' successive declines in mortgage rates will help qualify more home buyers, but limited housing inventory is significantly preventing housing demand from fully being satisfied. Multiple offers, of course, yield only one winner, with the rest left to continue their search."

The **only region in the nation to see improvement in October was the Northeast**. The PHSI for that region rose 2.7 percent to 64.8. This was still a 6.5 percent year-over-year retraction. Contract signings were down 0.4 percent in the **Midwest** compared to September and declined 10.3 percent from the prior October.

In the **South**, the PHSI was 85.6, a 1.9 percent and 7.1 percent decrease from the two earlier periods. The **West's** index fell 6.0 percent 51.8 and was 10.8 percent below its level a year earlier.

According to Yun, the lengthy downturn in the PHSI is not universal "Home sales are rising in places where more inventory is available," he said. "Sales for properties priced above \$750,000 were higher than a year ago, because there is more inventory at this price point than what we saw last October. Additionally, newly built home sales are up 4.5 percent year-to-date due to homebuilders' ability to create more inventory. It is vital that we continue to focus on boosting housing supply by all means in all corners of the country over the coming months."

The PHSI was benchmarked at 100 in 2001, based on the average contract activity that year. A sale is listed as pending when the contract is signed. Sales are generally expected to close in one or two months. NAR will report on existing home sales for November on December 20.