



Existing Home Inventories Inching Higher

The inventory of existing homes for sale increased from March to April, but the increased availability didn't bolster sales. The National Association of Realtors® (NAR) said pre-owned single-family homes, townhomes, condominiums, and cooperative apartments sold at a seasonally adjusted annual rate of 4.14 million. This was a decline of 1.9 percent from sales in both March of this year and April 2024.

At the end of April, there were 121 million units of housing available for sale, an increase of 9 percent from March and 16.3 percent year-over-year. This equates to a 3.5-month supply at the current rate of sales compared to 3.2 percent and 3.0 percent at the two earlier points in time. NAR says a six-month supply is typically necessary for a balanced real estate market. There was a big increase in higher-priced homes. The inventory of available homes listed at \$1 million or more was 34 percent larger than a year earlier and sales in that tier increased 40 percent. Properties typically remained on the market for 26 days in April, down from 33 days in March but up from 22 days in April 2023.

NAR's chief economist Lawrence Yun said overall home sales changed little, but the upper end of the market is benefiting from the increase supply of homes.

Single-family home sales fell 2.1 percent to a seasonally adjusted annual rate of 3.74 million, down from 3.82 million in March. Sales were 1.3 percent lower year-over-year. Condo and co-op sales remained at their March level of 400,000 units, 30,000 fewer than the previous April.

The median existing home price for all housing types in April was \$407,600, an increase of 5.7 percent. The median existing single-family home price rose 5.6 percent and condo prices were up 5.4 percent to medians of \$412,100 and \$365,300.

"Home prices reaching a record high for the month of April is very good news for homeowners," Yun added. "However, the pace of price increases should taper off since more housing inventory is becoming available."

First-time buyers were responsible for 33 percent of sales in April and individual investors or second-home buyers purchased 16 percent of homes. All-cash sales accounted for 28 percent of transactions.

The annual rate of 480,000 existing home sales in the Northeast was 4.0 percent lower than in both March and the previous April. Prices jumped 8.5 percent to a median of \$458,500.

In the Midwest, existing home sales slipped 1 percent from the two earlier periods to a rate of 1 million. The median price in the region was \$303,600, up 6 percent on an annual basis.

Existing home sales in the South were down 1.6 percent from March and 3.1 percent from the prior April to a rate of 1.9 million. The median price was \$366,200, a gain of 3.7 percent.

In the West, existing home sales retreated 2.6 percent from a month ago to an annual rate of 760,000, an annual increase of 1.3 percent. The median price in the West was \$629,600, 9.3 percent higher than in April of last year..

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