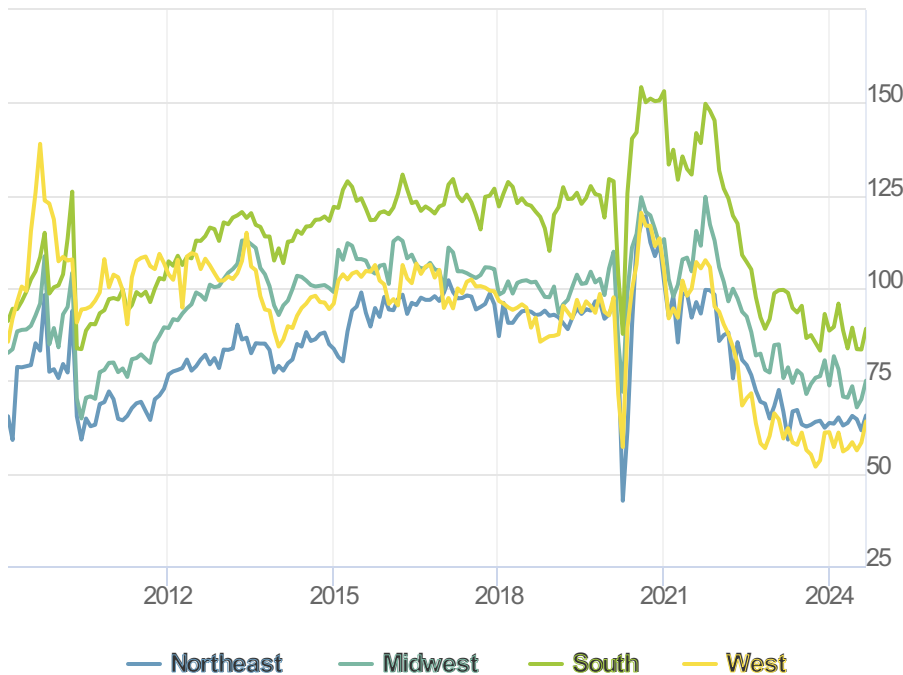# June Pending Home Sales Benefit From Inventory Growth

Signed contracts for home sales increased in June, a broad-based improvement seen in all four major regions of the country. The National Association of Realtors® (NAR) said its Pending Home Sales Index (PHSI) which tracks those contracts **increased 4.8 percent, from a reading of 70.9 to 74.3**. Despite the increase, the index remains 2.6 percent lower than in June 2023. The Index had declined 1.9 percent in May, but this was a revision of the initial report of a negative 2.1 percent change.

The results were much better than expected. Analysts polled by Econoday had a consensus estimate of a 1.1 percent gain. It also surpassed the +3.4 percent gain that topped the forecast range.

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Pending Home Sales

"The rise in housing inventory is beginning to lead to more contract signings," said NAR Chief Economist Lawrence Yun. "Multiple offers are less intense, and buyers are in a more favorable position."

The PHSI in the **Northeast** PHSI rose 3.0 percent from May to 65.5 and was down 0.3 percent compared to a year earlier. The **Midwest** index added 4.7 percent, coming in at 73.7. This is 4.2 percent below the June 2023 level.

The **South's** Index jumped 6.3 percent to 89.3, leaving it 3.9 percent lower on an annual basis. In the **West**, the index climbed 3.4 percent to 58.4, a 1.0 percent year-over-year gain.

"Even more inventory is expected to come onto the housing market in the upcoming months ahead of the normal, seasonal declines in the winter," added Yun. "The Northeast's small gain in contract signings is due to the ongoing housing shortage situation in that region, leading to stronger home price gains. It is a good time to list."

The PHSI is considered a leading indicator of home sales over the following several months. An index of 100 equals the level of contract activity in 2001.