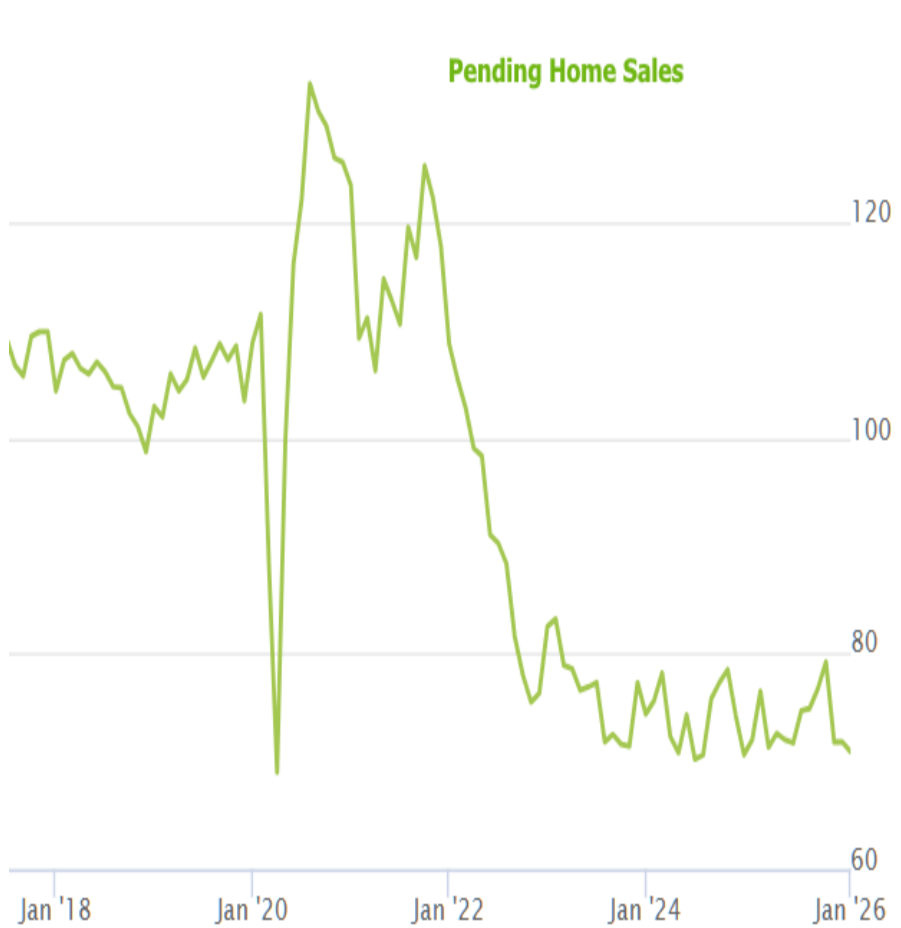




Pending Sales Dip as Affordability Gains Fail to Spark Demand

The National Association of Realtors' Pending Home Sales Index (PHSI) slipped modestly in January, easily prolonging its stay in a narrow range near all-time lows.

Pending home sales **decreased 0.8%** month over month and were down **0.4%** compared with the same time last year. While affordability conditions have improved somewhat as mortgage rates trend closer to 6%, the improvement has failed to bolster contract activity.



Doug Shoemaker

Branch Manager,
Homestead Financial
Mortgage

www.ShoemakerLoanTeam.com

P: (618) 307-6106

M: (618) 795-0790

d.shoemaker@hfmloans.com

220 East State Street, Ste 2E

O'Fallon Illinois 62269

488878

LO95121



NAR Chief Economist Lawrence Yun noted that lower rates have expanded the pool of mortgage-eligible households, potentially adding hundreds of thousands of new buyers this year. However, he cautioned that without a meaningful increase in housing supply, additional demand could simply push prices higher and renew affordability pressure.

The Midwest and West posted monthly gains, while the Northeast and South declined. On a yearly basis however, the picture changes, with the South and West slightly positive and the Northeast and Midwest down from a year ago—reinforcing the fact that sales activity remains uneven and regional.

Regional Breakdown (Month-Over-Month)

- **Northeast:** -5.7%
- **Midwest:** +5.0%
- **South:** -4.5%
- **West:** +4.3%

Regional YoY Change

- **Northeast:** -8.3%
- **Midwest:** -3.3%
- **South:** +4.0%
- **West:** +0.3%