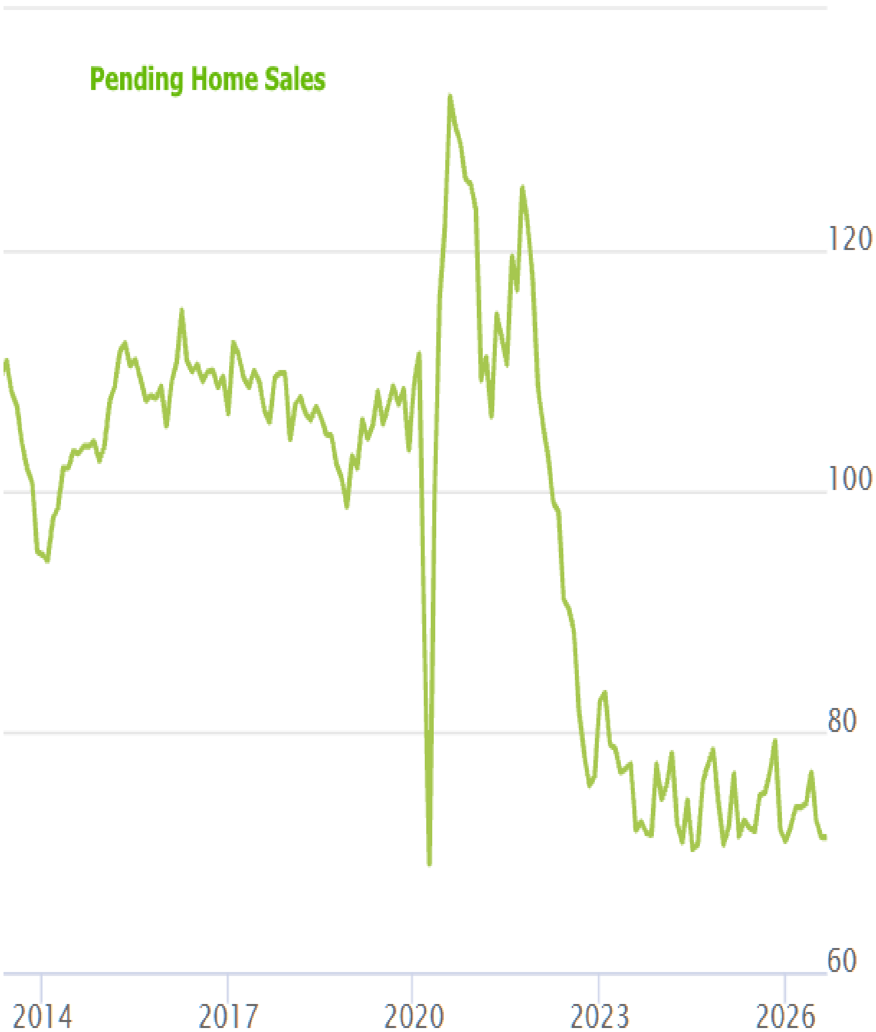
Pending Sales Rebound Slightly as Regional Results Diverge

Pending home sales edged higher in August as gains in the South and West offset declines in the Northeast and Midwest. The National Association of REALTORS® (NAR) Pending Home Sales Index (PHSI), which tracks signed contracts on existing homes, increased **0.3%** from July but was down **4.7%** from a year earlier.



The modest increase came despite another period of elevated mortgage rates. NAR Chief Economist Lawrence Yun said income growth has been outpacing home price growth, but higher borrowing costs continue to limit the resulting improvement in buying power and housing demand.

Pending sales remain roughly **30% below** pre-pandemic levels nationally. Activity peaked in 2021 when mortgage rates were near 3%, suggesting that lower borrowing costs remain an important factor in bringing sidelined demand back into the market.

Regional Results

Area	Monthly Change	Annual Change	Additional Detail

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Area	Monthly Change	Annual Change	Additional Detail
Northeast	**-4.2%**	**-3.9%**	Among the fastest home price growth
Midwest	**-1.6%**	**-4.9%**	Among the fastest home price growth
South	**+2.3%**	**-3.8%**	
West	**+3.0%**	**-6.7%**	

Drilling down further, several large metro areas continued to see annual gains in pending sales, including Richmond, San Antonio, Memphis and Virginia Beach.