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Indiana home sales begin to stabilize in January after ending 2022 on a sharp decline as inflation and mortgage rates trend downward

(INDIANAPOLIS, Ind.) Market data from the Indiana Association of REALTORS® shows 4,158 homes were sold statewide during the first month of 2023. Existing home sales finished 26% below January 2022 and 23% behind January 2021, continuing a slowing trend but ending four straight months of widening year-over-year gaps that had grown to 27% in November and 30% in December.

January reflected a typical seasonal decrease in sales and prices from December. Indiana's median sale price was \$215,000, falling 4.5% from December but remaining 3.5% above January 2022 (\$208,000).

"January brings signs of stability after watching last year's monthly sales fall further and further behind 2021," said Indiana Association of REALTORS® CEO Mark Fisher. "With inflation improving and mortgage rates trending down since November, we're hopeful these numbers represent a plateau that pivots into a recovery in the months ahead."

Fisher noted that annualized price appreciation continues into 2023 despite the challenging climate of 2022: "Home price gains have also slowed, which is good news for homebuyers," he said. "But growth through a year of cooling demand and rising interest rates is a positive indicator for property values in Indiana."

Indiana's inventory of active listings continued to increase while remaining below pre-2020 levels. January averaged more than 13,000 homes for sale, nearly double the average of January 2022 while resisting the usual month-to-month drop-off from December. 5,673 new listings were added to Indiana's eight MLS marketplaces last month, 27% higher than December but 12% below January '22.

Median days on market grew to 25 days from listing to pending, driving the growth in inventory while still setting a faster pace than pre-2020 norms.

"Inventory rose through last year's slower market, making 2022 Indiana's first year-over-year increase in inventory since 2014," Fisher said. "That means more options for homebuyers as lending conditions improve and demand recovers."

Inventory still remains 25% below January 2018 and 75% below 2011, as longer-term supply challenges continue to impact Indiana's housing market.

Learn more at www.IndianaRealtors.com and in the **Indiana Housing Market Report** (follows).

The two-page Market Report from the Indiana Association of REALTORS® summarizes statewide housing data from January, including a general overview and a map of county-by-county sales totals and month-over-month trends (final page).



Indiana Market Report January 2023



Summary

Indiana's housing market was slow but stabilizing in January: The year-over-year sales gap narrowed after ending 2022 on a sharp decline, new listings dropped compared to January 2022, but total inventory increased as days-on-market moved closer to a pre-2020 pace, and median sale price remained 3.5% above January 2022.

Inventory

MOM ▼ 1% • Stable inventory of home listed for sale in January
YOY ▲ 93% • Inventory at high end of expected range, remaining historically low (vs. 2011-2019)
EXP ● Normal

Sales

MOM ▼ 32% • Typical month-to-month decline for January
YOY ▼ 26% • Stable year-over-year difference
EXP ● Normal

Median Price

MOM ▼ 4% • Prices declined slightly
YOY ▲ 3% • Typical decline for January
EXP ● Normal

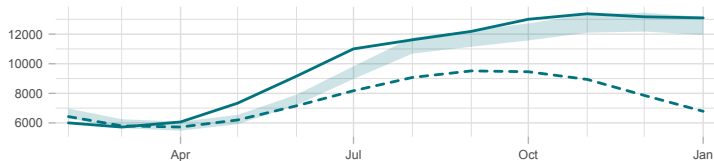
MOM Month-over-month change **YOY** Year-over-year change **EXP** Compared to expected value based on typical cycle

Monthly trends — 12 mo. trend - - - Previous 12 mo. ■ Expected range

Annual totals: This area shows comparisons to the previous month, January 2021, and January 2017.

Supply

Inventory

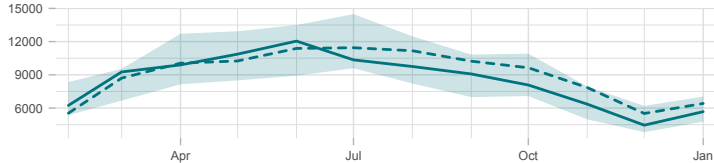


13,099 homes for sale (January average)

1M -1% 1Y +93% 5Y -24%

Inventory measures average daily supply of homes for sale. The 1% decrease is smaller than the typical 9-15% drop from December to January as inventory continues a year-over-year growth trend (while remaining well below 2019 levels).

New Listings



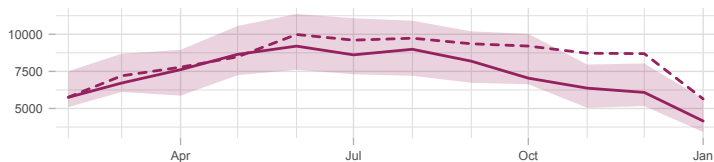
5,673 new listings

1M +27% 1Y -12% 5Y -19%

The 27% increase in listings compared to December is slightly low for the month of January. (In most years, listings increase 15-49% in January.) The increase in listings should impact February's inventory. Listings were still lower than past years.

Demand

Sales

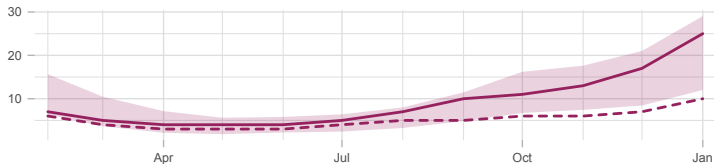


4,158 sales

1M -32% 1Y -26% 5Y -16%

Closed sales represent fulfilled demand; sales continued to slow in January, but only by the expected month-to-month range (21-41%). The year-over-year gap in monthly sales closed for the first time in five months.

Median Days on Market



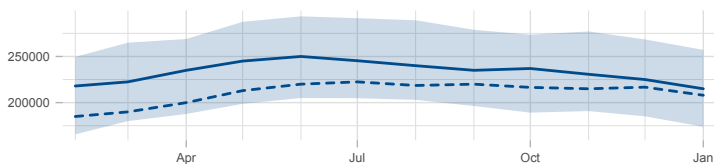
25 days on market (listing to pending)

1M +47% 1Y +150% 5Y -38%

The time from listing to a pending contract began to approach historically typical values after months at record low levels. Transaction times usually slow in January—days-on-market changes by an average of -1% to +132%—so this month's increase is within the normal range. Still, homes are selling faster than January 2018.

Market Momentum

Median Sales Price

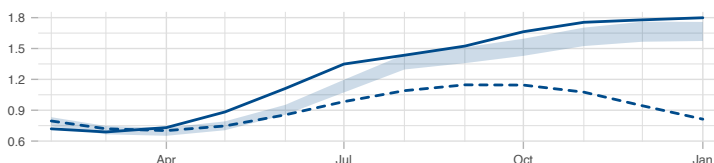


\$215,000

1M -4% 1Y +3% 5Y +45%

The median sale price fell 4% in January, following a typical seasonal trend. Price appreciation remains positive versus January 2022, and sale prices are much higher than 2018.

Months of Inventory



1.8 months of inventory (based on 12-mo. avg. sales)

1M +1% 1Y +121% 5Y -21%

Inventory has increased but continues to represent less than two months of supply sufficient to meet average sales demand. Four to six months of inventory is generally considered a balanced market, reflecting Indiana's longer-term inventory decline.

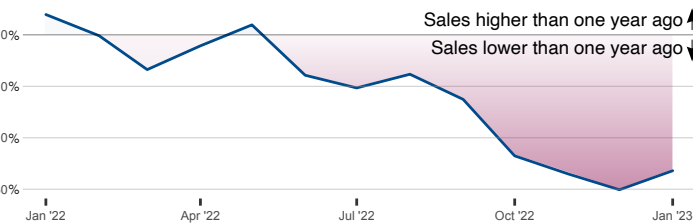
Indiana's Housing Market in January 2023

4,158 homes were sold statewide in January 2023, based on preliminary estimates from Indiana's eight regional MLS marketplaces. Sales dropped 32% from December, a typical New Year slowdown based on historical housing data (which show an expected 21-% decline from December to January).

On a year-over-year basis, sales finished 26% below January 2022 and 23% behind January 2021 to end four straight months of widening year-over-year gaps that had grown to 27% in November and 30% in December. Taken together, these trends show a market that is stabilizing after a challenging 2022.

Sales are lower than one year ago, but the gap may have started to close

Difference from previous year's sales



January also represented a typical seasonal decrease in home prices: Indiana's median sale price of \$215,000 fell 4.5% from December but remained 3.5% above January 2022 (\$208,000).

Indiana's inventory of active listings continued to grow while remaining below pre-2020 levels. January averaged more than 13,000 homes for sale, nearly double the average of January 2022 while resisting the usual month-to-month decrease from December. 5,673 new listings added to total inventory, 27% higher than December but 12% below January '22.

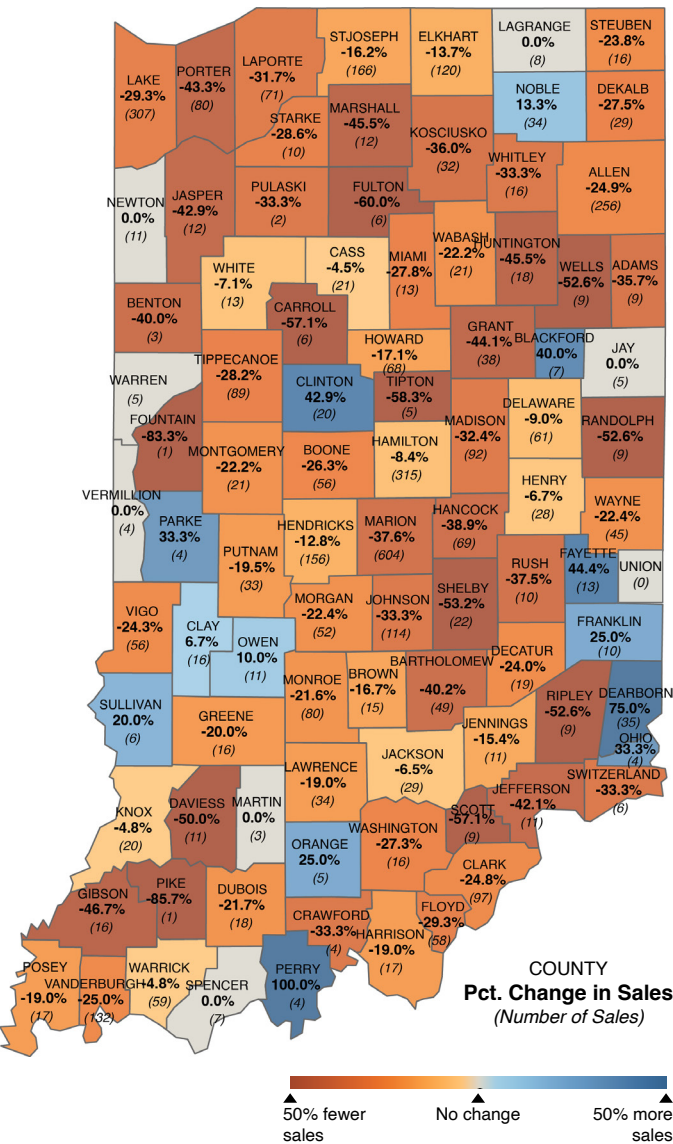
Inventory still remains 25% below January 2018 and 75% below 2011, as longer-term supply challenges loom over Indiana's housing market despite cooling demand.

Homes are selling below asking price, falling to a level close to January 2019.

Sold price as a percentage of asking price



Change in sales (December 2022 to January 2023)



Six Month Statewide Totals and Year-over-Year Trends

	August	September	October	November	December	January
2021-22 Sales	9,734	9,360	9,206	8,724	8,696	5,647
2022-23 Sales	8,990	8,129	7,043	6,335	6,071	4,158
YOY Change (Sales)	-7.5%	-13%	-23%	-27%	-30%	-26%
2022-23 Median Sale	\$240,000	\$235,000	\$237,000	\$232,000	\$225,000	\$215,000
YOY Change (Median Price)	9.5%	7%	9%	8%	3.4%	3.5%

Local Market Update for January 2023

A RESEARCH TOOL PROVIDED BY THE INDIANA ASSOCIATION OF REALTORS®

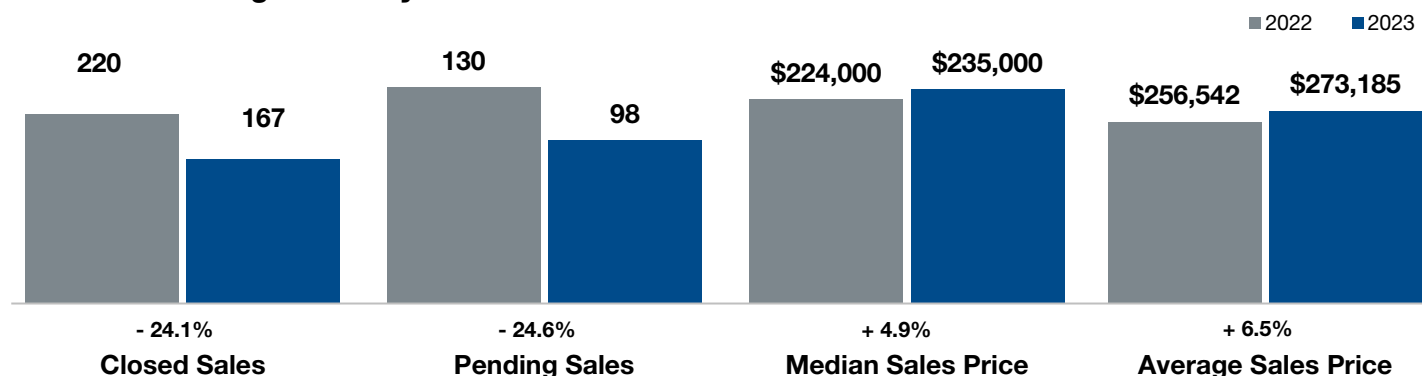


Kosciusko County

Key Metrics	November through January			February through January		
	2022	2023	Percent Change	Thru 1-2022	Thru 1-2023	Percent Change
New Listings	160	135	- 15.6%	1,058	888	- 16.1%
Closed Sales	220	167	- 24.1%	1,083	834	- 23.0%
Median Sales Price	\$224,000	\$235,000	+ 4.9%	\$225,000	\$231,500	+ 2.9%
Percent of Original List Price Received*	99.5%	96.0%	- 3.5%	100.0%	99.1%	- 0.9%

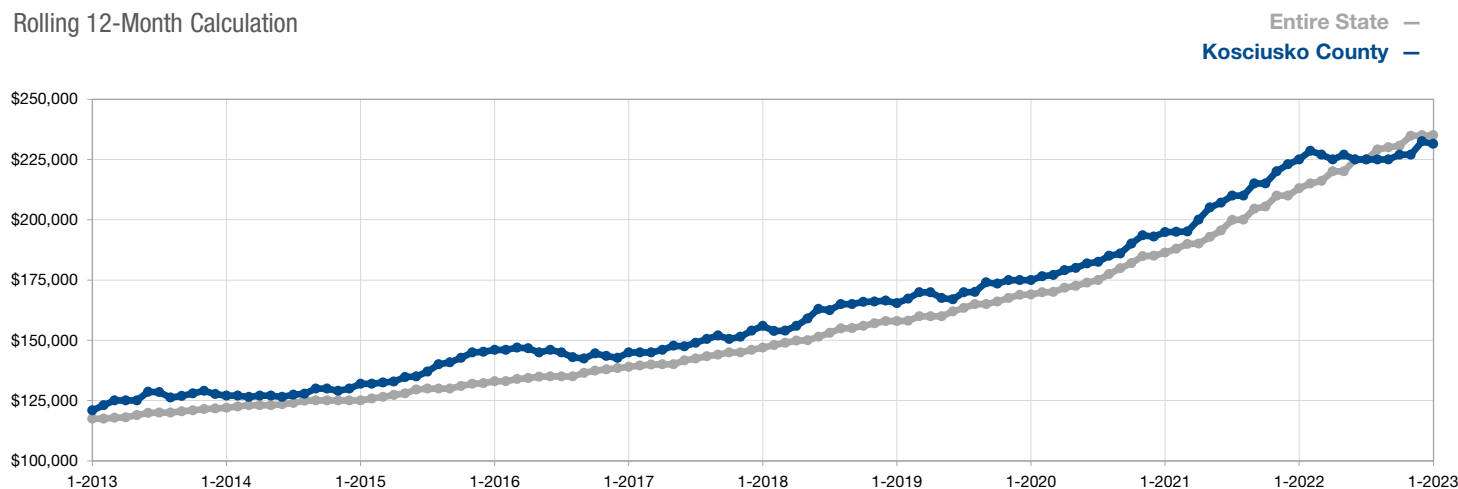
* Does not account for list price from any previous listing contracts. | Activity for one month can sometimes look extreme due to small sample size.

November through January



Median Sales Price

Rolling 12-Month Calculation



A rolling 12-month calculation represents the current month and the 11 months prior in a single data point. If no activity occurred during a month, the line extends to the next available data point.

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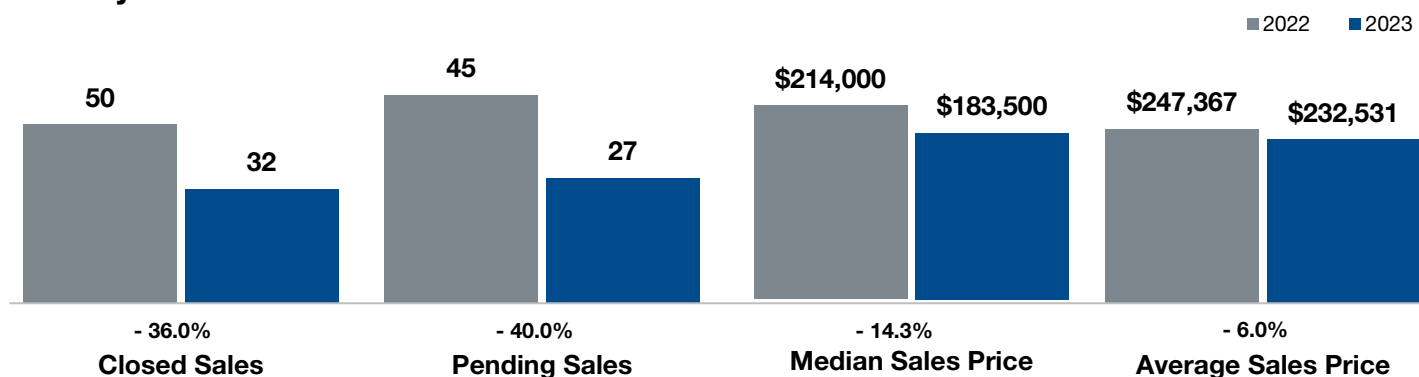


Kosciusko County

Key Metrics	January			Year to Date		
	2022	2023	Percent Change	Thru 1-2022	Thru 1-2023	Percent Change
New Listings	47	45	- 4.3%	47	45	- 4.3%
Closed Sales	50	32	- 36.0%	50	32	- 36.0%
Median Sales Price	\$214,000	\$183,500	- 14.3%	\$214,000	\$183,500	- 14.3%
Percent of Original List Price Received*	98.7%	92.9%	- 5.9%	98.7%	92.9%	- 5.9%
Months Supply of Inventory	0.8	1.3	+ 62.5%	--	--	--
Inventory of Homes for Sale	75	93	+ 24.0%	--	--	--

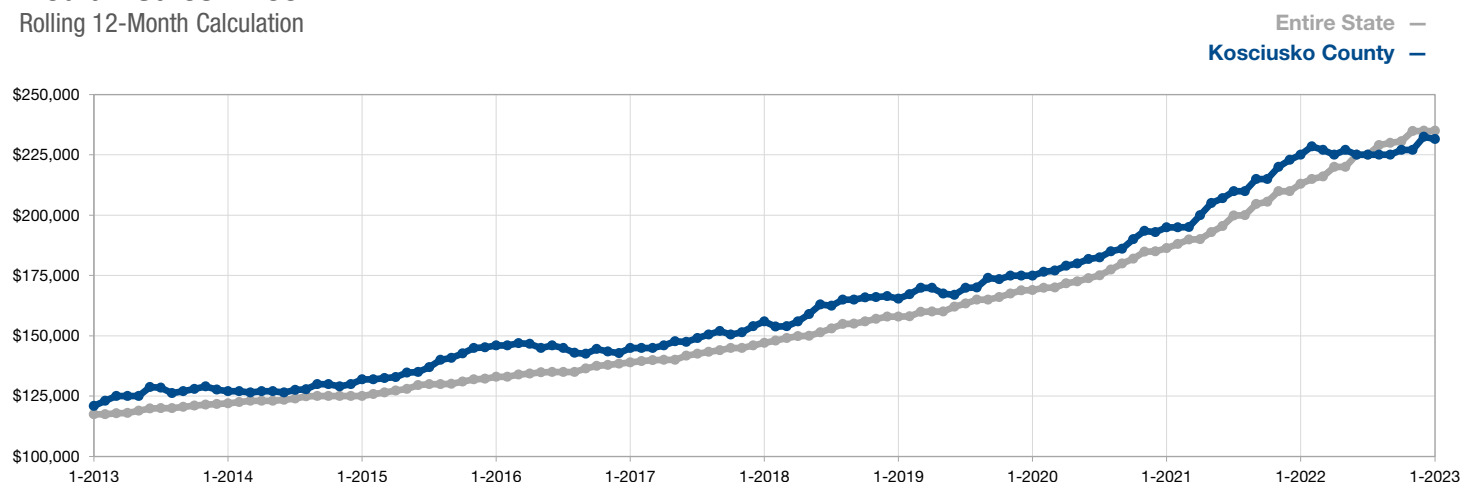
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January



Median Sales Price

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