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Indiana home sales and new listings continue to fall below 2022 as mortgage rates hover near 7%; sales finish 19% behind last July

Inventory of homes for sale also slips below July 2022, helping keep the state median sale price above \$256,000 for second straight month

Check out the **Indiana Association of REALTORS® July Housing Report** for more:
<https://indianarealtors.com/wp-content/uploads/2023/08/2023-07-Indiana-Housing-Report.pdf>

(INDIANAPOLIS, Ind.) Indiana home sales and new listings fell below 2022 levels in July as increased mortgage rates and persistent inventory challenges caused a mid-summer pullback in real estate activity. Existing home sales (6,941) finished 19% below July 2022, while new listings (8,560) dropped 17% year-over-year, according to data from the Indiana Association of REALTORS® (IAR).

Congressional brinksmanship on the U.S. debt limit, concerns over banking resilience and another quarter-percent rate hike from the Federal Reserve drove mortgage rates back towards 7% this summer, slowing a modest rally that had seen statewide sales grow 30% from April through June.

Elevated rates have also caused potential sellers to pause before swapping their pre-2022 mortgages for a cooling market. Fewer new listings tightened the average daily inventory of homes for sale across Indiana's eight MLS marketplaces to 10,118 versus 11,320 in July 2022. Limited supply helped keep the state median sale price virtually unchanged from June, at \$256,250.

IAR president Lynn Wheeler noted that Indiana's housing market has held up better than most of the country: While sales fell 14% through the first six months of the year, the National Association of REALTORS® (NAR) reports a 23% drop-off from 2022 to 2023 year-to-date.

"Even though closings are down, our median sale price has hit an all-time high and buyers are still moving quickly when new homes hit the market," Wheeler said, adding that days from listing to pending contract averaged eight days in July – a fast-paced market by pre-2021 standards. "Hoosier homeowners are still doing very well when they decide to make a move and list with a professional."

Wheeler explained that a less-hectic homestretch into autumn could also bring unexpected opportunities for homebuyers.

"Higher rates and prices put pressure on budgets, but the current market also means less competition than the past two summers," she said. "We've also seen the number of properties with price decreases rise from 10 % of total inventory in spring to 15% in July as sellers who may have been too aggressive are adjusting expectations as we hit the last month of summer."

"We've also seen the average sale price as a percentage of original listing price drop slightly after sitting above 98% since May...one more sign of buyers gaining a little bargaining power," she finished.



NAR Chief Economist Lawrence Yun declared last month that “The recovery has not yet taken place, but [the housing recession is over](#).” Both Wheeler and IAR CEO Mark Fisher expressed confidence that there’s unmet demand for housing across Indiana.

“Home prices, time on market and the close relationship between pending sales activity and new listings this year all point to healthy demand that’s being held back by high rates and a shortage of homes for sale,” said Fisher. “Inventory is a longer-term challenge, but lower mortgage rates will certainly help bring more homebuyers and sellers back to the market.”

More July Highlights:

- July’s 6,941 closed sales bring the 2023 year-to-date total to 44,406, or 15% below 2022.
- Year-to-date listings have reached 54,207 with the addition of 8,560 in July, 17% behind the first seven months of last year.
- July’s median sale price of \$256,250 is the second-highest monthly median price in Indiana history, behind June (\$256,950); the highest median price of 2022 was \$250,000 last June.
- July continued to reinforce the pressure that higher rates and rising prices are putting on homebuyers with less budget flexibility: Sales under \$250,000 were down 25% year-over-year, sales between \$250,000 and \$749,000 fell 16% and sales of \$750,000+ were up 27%.
- July inventory (10,118 average daily listings) represents a middle ground between the year’s highest level in January (13,000) and most limited supply in April (8,275).
- Sales in Indiana’s rural counties held up better than the state in July, down 15% year-over-year.
- Among Central Indiana counties with at least 1,000 year-to-date sales, Hamilton and Madison counties have outperformed statewide sales trends, while Johnson County has matched the state’s 15% year-over-year deficit (with Boone just 5% below 2022 but not yet hitting 1,000 sales).
- St. Joseph and Clark counties have also outpaced the state’s year-over-year performance with at least 1,000 sales, while Lake, Elkhart, Vanderburgh and Allen counties have generally been consistent with the state-level trend versus 2022.
- Indiana’s smaller cities, like Bloomington, South Bend (despite St. Joseph County’s solid trend), Columbus, and Muncie fell below the statewide threshold, as July sales were 24% lower than 2022 in these communities.

For more detail on local real estate market data, contact Chris Watts at cwatts@IndianaRealtors.com.

July 2023 Summary:

Total (Closed) Sales:	6,941 (-14% vs. June 2023, -19% vs. July 2022)
New Pending Sales:	7,423 (-2% vs. June 2023, -12% vs. July 2022)
New Listings:	8,560 (-8% vs. June 2023, -17% vs. July 2022)
Total Inventory (Average Daily Listings):	10,118 (+6% vs. June 2023, -6% vs. July 2022)
Median Sale Price:	\$256,250 (-0% vs. June 2023, +4% vs. July 2022)

Check out the July 2023 [Indiana Housing Market Report](#) for more details on monthly home sales, inventory and pricing along with county-level trends.





Indiana's Housing Market

July 2023

Indiana home sales and listings continued to trend below 2022 in July as higher mortgage rates and limited inventory chilled the summer homebuying season. New listings dropped to 8,560 in July even as the statewide median sale price (\$256,250) remained virtually unchanged from a historic high mark in June. This caused total inventory to dip below 2022 levels as well, with just over 10,000 homes listed for sale on a given day through July.

Facing a one-two punch of elevated rates and fewer options, buyers closed 6,941 sales in a holiday-shortened July, down 19% year-over-year. The median days from listing to pending sale also crept above a week, finishing the month at eight days. With the Federal Reserve widely expected to loosen its grip on interest rates later this year, Indiana housing sales have outperformed the national market without yet turning the corner to a stronger recovery.

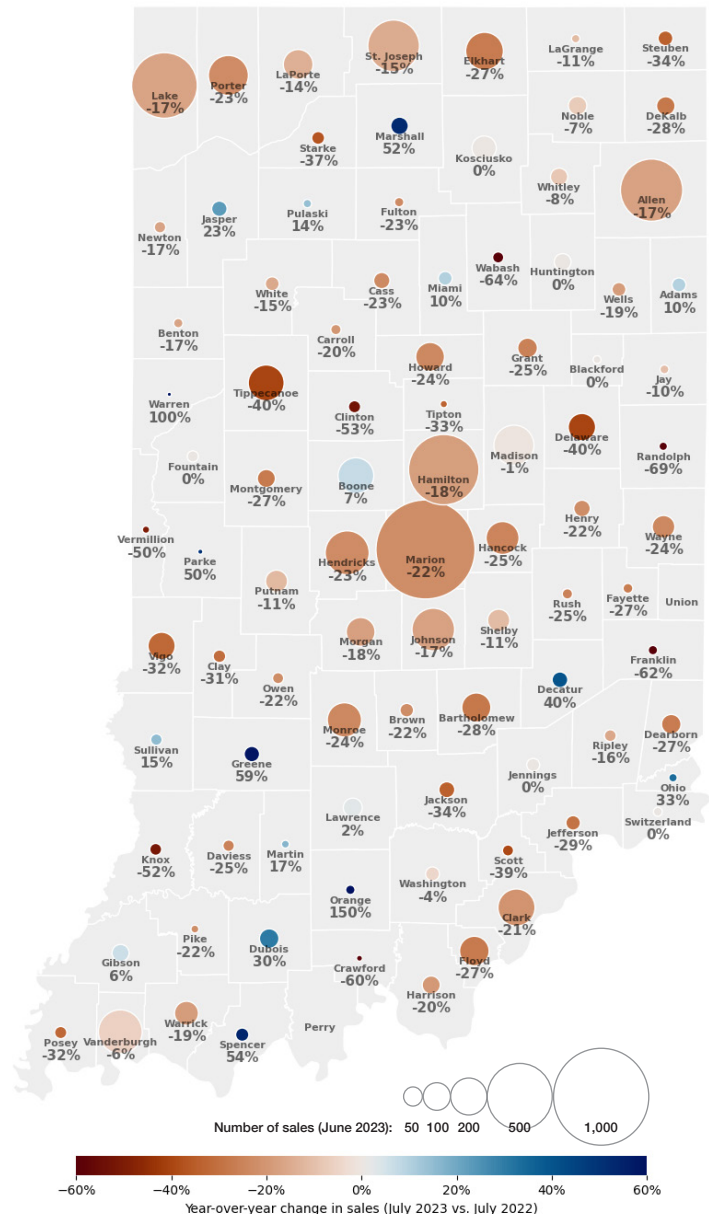
Six Month Trends

Sales and price

	2022 Sales	2023 Sales	YOY Change (Sales)	2023 Median Sale	YOY Change (Price)
Feb.	5,753	4,895	-15%	\$230K	+5%
Mar.	6,715	6,643	-1%	\$235K	+5%
Apr.	7,616	6,170	-19%	\$245K	+4%
May	8,646	7,298	-16%	\$255K	+4%
June	9,202	7,967	-13%	\$256K	+2%
July	8,614	6,941	-19%	\$256K	+4%

Percent Change in Sales

July 2023 and July 2022



July 2023 Market Report



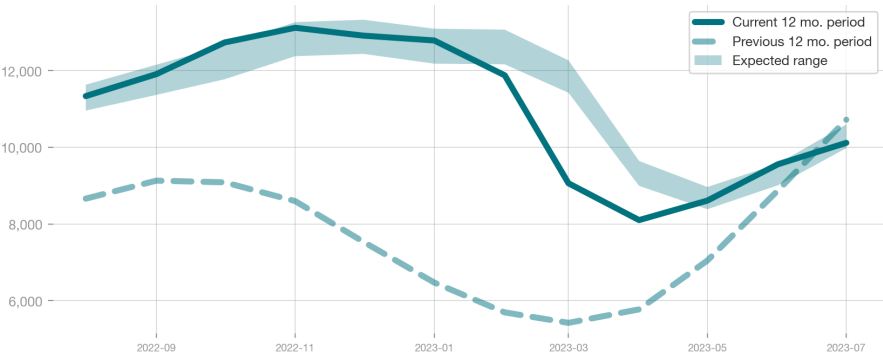
Monthly totals, trends, and year-over-year comparisons

July Market Report report for Indiana as of Aug 7, 2023.

Supply

Inventory

Average daily inventory



July 2023
10,118
Expected range of 9,980-10,599 based on previous month

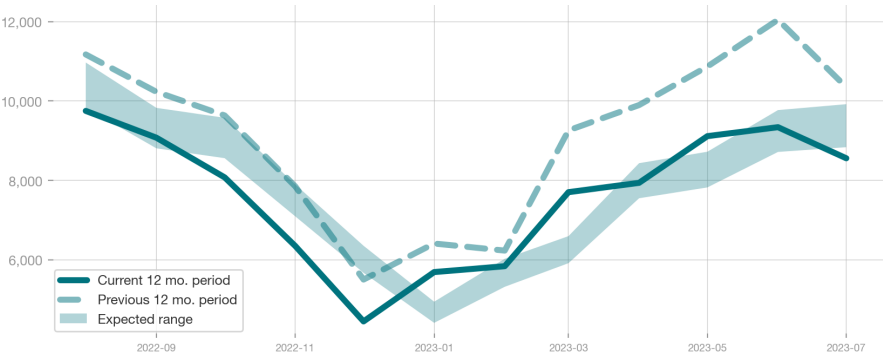
Month-over-month
+6%
Typical change ranges from +4% to +11% this month

Year-over-year
-6%

Last update: Aug. 7, 2023, 1:24 p.m. **Source:** IAR MLS Data Warehouse **Notes:** A listing counts in inventory if its status is active, not pending or sold. Inventory fluctuates constantly, so we calculate the monthly measure as the inventory at the start of each day average across the entire month.

New Listings

Monthly total by listing date



July 2023
8,560
Expected range of 8,839-9,920 based on previous month

Month-over-month
-8%
Typical change ranges from -5% to +6% this month

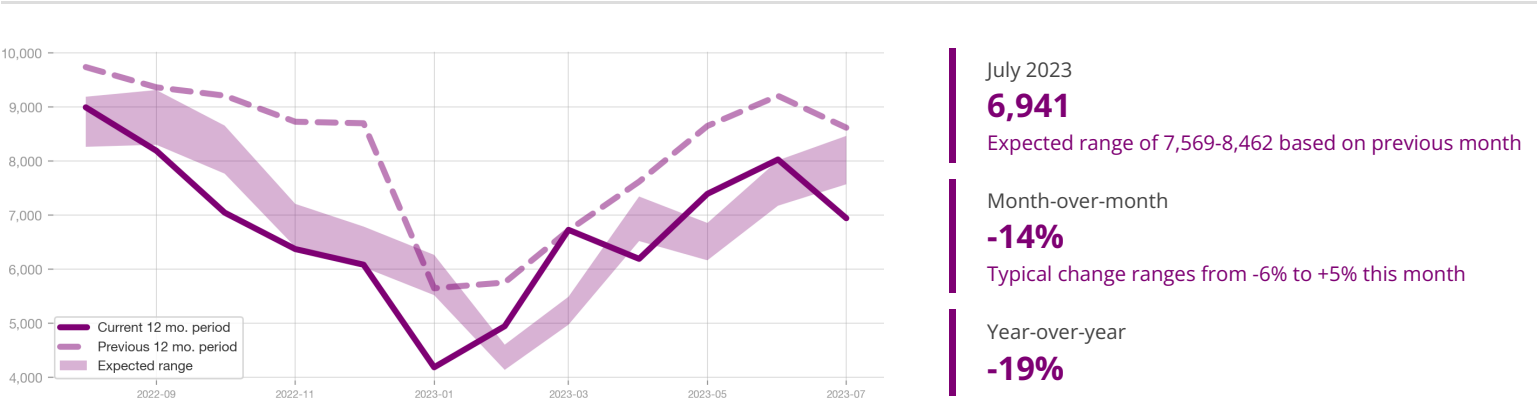
Year-over-year
-17%

Last update: Aug. 7, 2023, 10:14 a.m. **Source:** IAR MLS Data Warehouse **Notes:** Listings may be posted to an MLS system after their listing date. Historically, 92% of listings are posted within three days and 99% within seven days.

Sales

Sales

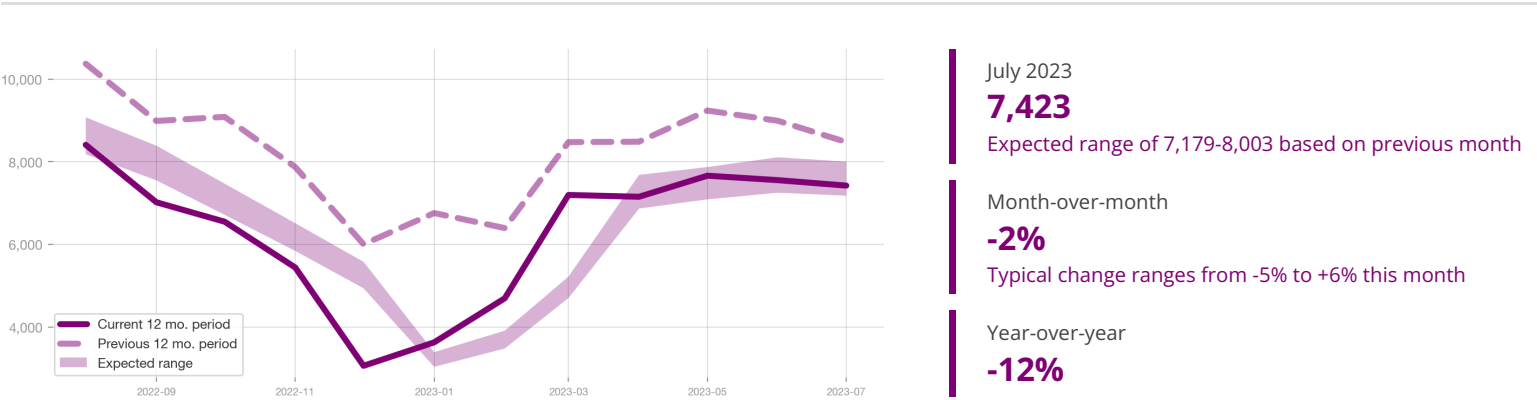
Monthly total of closed sales



Last update: Aug. 7, 2023, 10:15 a.m. **Source:** IAR MLS Data Warehouse **Notes:** Sales may be posted to an MLS system after their closing date. Historically, 79% of listings are posted within three days and 96% within seven days.

New Pending Contracts

Monthly total of newly pended properties

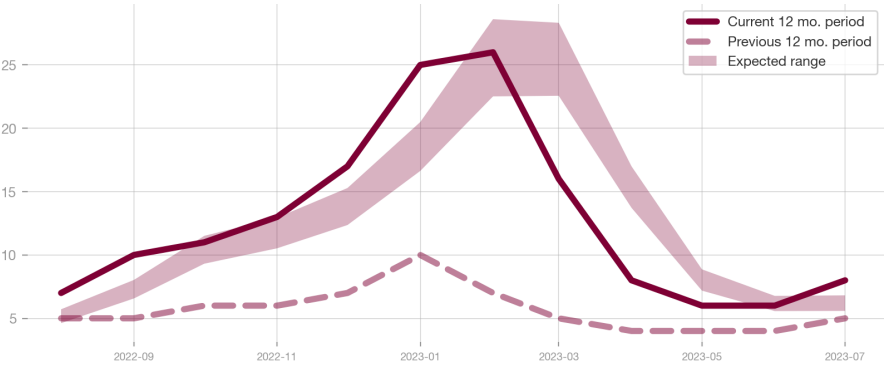


Last update: Aug. 7, 2023, 10:20 a.m. **Source:** IAR MLS Data Warehouse **Notes:** While not all pending contracts result in a closed sale, they are a very strong predictor of sales trends five weeks in the future. Pending contracts may be posted to an MLS system after their pending date. Historically, 81% of listings are posted within three days and 92% within seven days.

Market Momentum

Median Days on Market

Days from listing to pending



Last update: Aug. 7, 2023, 10:17 a.m. **Source:** IAR MLS Data Warehouse **Notes:** This is calculated as the difference between listing date and pending date. To filter out erroneous data, this filters out listings with a pending date before 2017. There is delay in entering pending dates, so recent months represent only the portion of sales with a pending date.

July 2023

8

Expected range of 6-7 based on previous month

Month-over-month

+33%

Typical change ranges from -7% to +14% this month

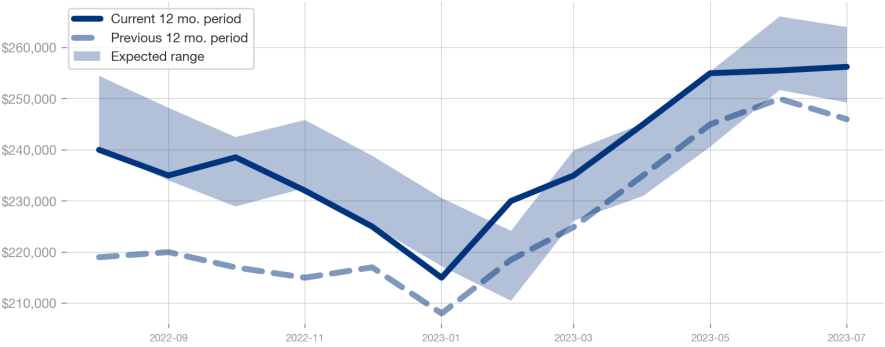
Year-over-year

+60%

Price

Sale Price

Median monthly sale price



July 2023
\$256,250
Expected range of \$249,259-\$264,029 based on previous month

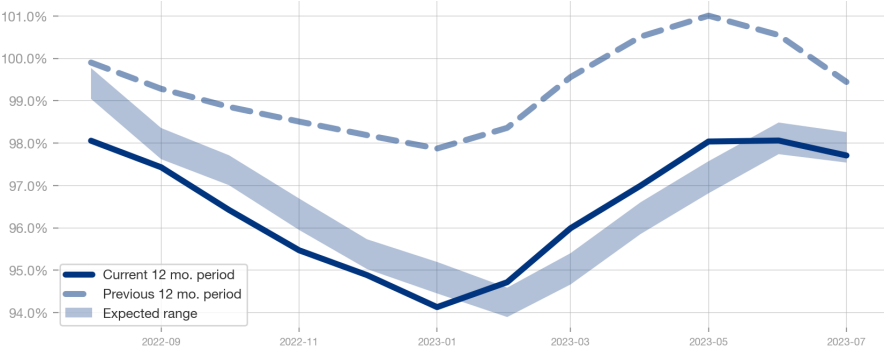
Month-over-month
+0%
Typical change ranges from -2% to +3% this month

Year-over-year
+4%

Last update: Aug. 7, 2023, 10:18 a.m. **Source:** IAR MLS Data Warehouse **Notes:** This excludes properties where the sale price is less than half the listing price or greater than twice the listing price, assuming those are errors. The median price represents the middle value of all properties sold. Half of sales had a higher price and half had a lower price.

Sale Price as Percent of Listing Price

Monthly average



July 2023
97.7%
Expected range of 97.5%-98.3% based on previous month

Month-over-month
-0%
Typical change ranges from -1% to +0% this month

Year-over-year
-2%

Last update: Aug. 7, 2023, 10:19 a.m. **Source:** IAR MLS Data Warehouse **Notes:** This excludes properties where the sale price is less than half the listing price or greater than twice the listing price, assuming those are errors.

Local Market Update for August 2023

A RESEARCH TOOL PROVIDED BY THE INDIANA ASSOCIATION OF REALTORS®

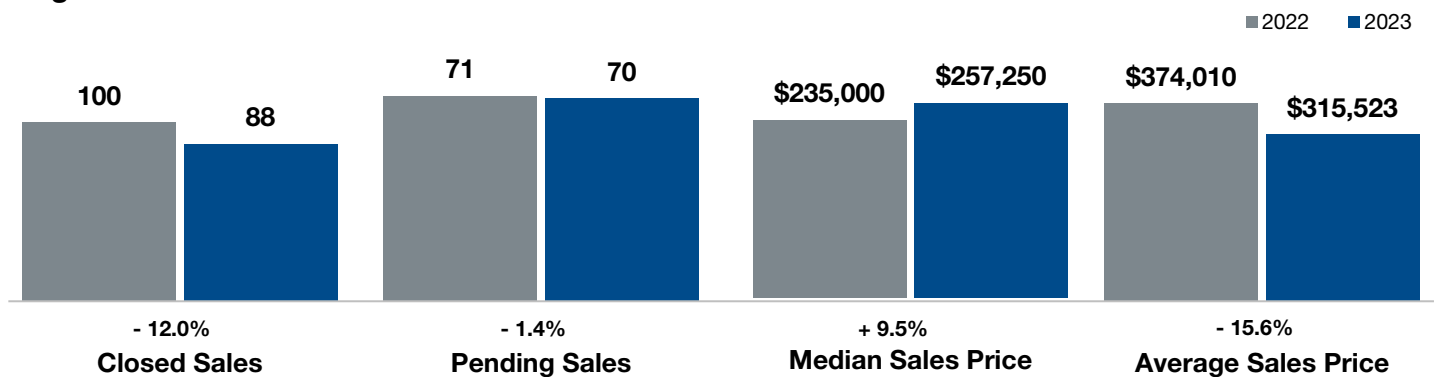


Kosciusko County

Key Metrics	August			Year to Date		
	2022	2023	Percent Change	Thru 8-2022	Thru 8-2023	Percent Change
New Listings	86	85	- 1.2%	643	619	- 3.7%
Closed Sales	100	88	- 12.0%	570	516	- 9.5%
Median Sales Price	\$235,000	\$257,250	+ 9.5%	\$225,000	\$255,250	+ 13.4%
Percent of Original List Price Received*	98.3%	98.7%	+ 0.4%	100.1%	97.4%	- 2.7%
Months Supply of Inventory	1.6	2.2	+ 37.5%	--	--	--
Inventory of Homes for Sale	124	145	+ 16.9%	--	--	--

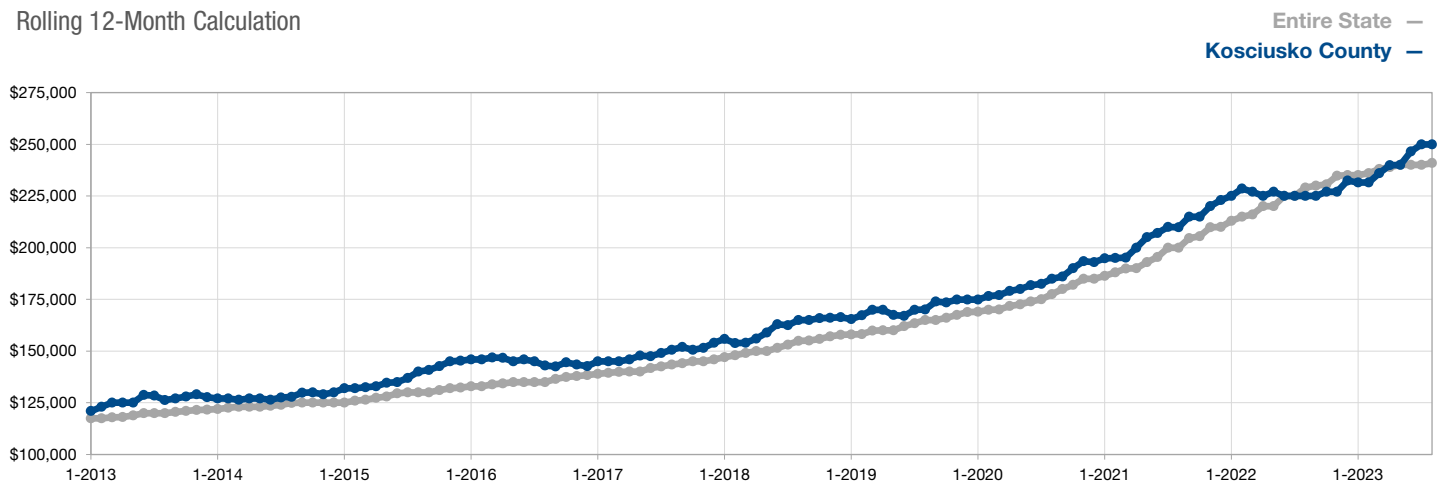
* Does not account for list price from any previous listing contracts. | Activity for one month can sometimes look extreme due to small sample size.

August



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.