

January 2024 Monthly Research Update

National Association of REALTORS®
Research Group



Data



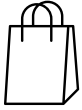
Existing-Home Sales - Existing-home sales grew in January. Among the four major U.S. regions, sales accelerated in the Midwest, South, and West and remained steady in the Northeast. Year-over-year, sales improved in the West and decreased in the Northeast, Midwest, and South. Total existing-home sales¹ – completed transactions that include single-family homes, townhomes, condominiums, and co-ops – elevated 3.1% from December to a seasonally adjusted annual rate of 4.00 million in January. Year-over-year, sales slipped 1.7% (down from 4.07 million in January 2023).



Pending Home Sales - Pending home sales in January dropped 4.9%. The Northeast and West posted monthly gains in transactions while the Midwest and South recorded losses. All four U.S. regions registered year-over-year decreases. Year over year, pending transactions were down 8.8%.



Housing Affordability Index – Housing affordability rose to 101.9 in December from 94.2 in November. An index above 100 means that a family with a median income has more than the income required to afford a median-priced home.



REALTORS® Confidence Index – Properties typically remained on the market for 36 days in January, up from 29 days in December and 33 days in January 2023. First-time buyers were responsible for 28% of sales in January, down from 29% in December and 31% in January 2023. All-cash sales accounted for 32% of transactions in January, up from 29% in December and one year ago.



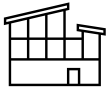
Reports



[Snapshot of Race and Home Buying in America](#) - This report looks at homeownership trends, the mortgage market and affordability by race, home buyer demographics from the 2023 Profile of Home Buyers and Sellers, home buyers, and fair housing. Homeownership in 2022 compared to 2021 shows that despite the fast-rising mortgage rates, minority groups increased their homeownership rates in 2022. Nevertheless, the white homeownership rate fell, albeit slightly, breaking the pattern of growth sustained over the last six years. Black homeownership rate experienced a modest uptick, reaching 44.1%. Hispanic homeownership rate witnessed a considerable rise, attaining a level of 51.1%. The Asian homeownership rate substantially increased to 63.3%



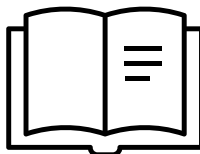
[January 2024 Foot Traffic](#) - January 2024 U.S. showings were down 5% year-over-year, with 559,148 showings, according to data from SentiLock, LLC., a lockbox company. The pace of showing activity has declined compared to last month, December 2023. Three of the four regions saw a decrease in showings year-over-year in January: the Northeast (-22%), followed by the Midwest (-12%), and the West (-6%). Showings were up (1%) in the South.



[February 2024 Commercial Real Estate Market Insights](#) – While the U.S. economy remains resilient, the commercial real estate market's performance during the first month of 2024 shows a nuanced landscape with sector-specific challenges and opportunities. The normalization of hybrid working arrangements continues to negatively impact office demand, increasing the market's unoccupied office spaces. However, the fundamentals of the multifamily, retail, and industrial sectors remain robust, indicating a varied performance across the CRE market.



[Local Market Reports](#) – All real estate is local, and every market is unique. To help REALTORS® and other housing market analysts get the most out of the plethora of data that is available, NAR Research produces a series of Local Market Reports (LMRs), which provide insights into the fundamentals and direction of the nation's largest metropolitan housing markets. Each report evaluates a number of factors affecting home prices, including the health of the local job market, foreclosure rates, housing inventory, debt-to-income, and mortgage-servicing-costs-to-income ratios



Articles and Instant Reactions on the Economy



[Love at First Listing: Navigating the Sweetheart Housing Market This Valentine's Day](#) - Data from the 2023 Profile of Home Buyers and Sellers shows the makeup of households and how relationships play a role in shaping homebuying decisions.



[Instant Reaction: Federal Reserve Meeting, January 31, 2024](#) - As anticipated, the Federal Reserve did not alter its short-term interest rate today, keeping it at 5.375%.



[Celebrating Single Women Home Buyers](#) - Single women home buyers are surpassing all odds in the housing market and purchasing homes with lower household incomes in an increasingly unaffordable housing market.



[Housing Affordability Conditions Improve in November 2023](#) - The monthly mortgage payment decreased by 2.7% compared to the prior month, while the median price of single-family homes declined by 1.0%.



[Instant Reaction: Mortgage Rates, January 25, 2024](#) - Home buyers are responding to the lowering of mortgage interest rates with increases in foot traffic and mortgage applications.



[Instant Reaction: Mortgage Rates, January 18, 2024](#) - This week's mortgage interest rate fell to 6.60%, the lowest in eight months and good news for potential home buyers.



[Flashback: 1995 in the Housing Market vs Today](#) - At 4.09 million, the annual pace of 2023's existing-home sales was the lowest number recorded since 1995, when it was 3.85 million. A then-and-now comparison highlights the challenges buyers faced in 2023.

