

INDIANA ASSOCIATION OF REALTORS®

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August 10, 2022

Indiana housing market continues to cool from competitive 2021; sales & prices still outpacing pre-COVID growth trends

July estimates put year-to-date sales nearly 4% below 2021 as year-over-year price gains slow for fifth consecutive month

(INDIANAPOLIS, Ind.) In contrast to higher-than-average summer temperatures across the state, Indiana's housing market continued to cool in July: Sales of existing homes are expected to finish nearly 10 percent below July 2021, according to data estimates from the Indiana Association of REALTORS®. Median sales price also dipped to \$246,000 last month after reaching \$250,000 in June, though prices through July are trending 14 percent above 2021.

Year-to-date home sales are almost 4 percent below the first seven months of 2021. 8,581 closed sales had been reported from Indiana's eight Multiple Listing Services through the first week of August, with July's final tally expected to exceed 8,600 accounting for typical reporting intervals. More than 10,300 homes were also listed for sale in July, putting year-to-date listings two percent over 2021.

"The Federal Reserve has raised benchmark interest rates in four of the past five months and we're seeing the impact on home sales in Indiana," said Indiana Association of REALTORS® CEO Mark Fisher. "But more homes are available for sale and mortgage rates have dropped from mid-June as the market anticipates the Fed's anti-inflation plans – for determined buyers, the climate has improved."

Year-over-year price increases also continued to diminish, with the median \$246,000 sale price just ten percent over July '21 (and the year-to-date increase over 14 percent). This is the fifth consecutive month of narrowing price gaps between 2021 and 2022.

While slowing price growth is positive news for buyers, Fisher noted that rising prices through two quarters of falling economic output also offers reassurance in the stability of property values.

"Home prices are settling towards a more sustainable pace, but still gained over 14 percent this year while the national economy shifted into reverse," he said. "For Hoosier homeowners and sellers, that's a sign that housing remains a great wealth-building investment and a valuable commodity even as we enter a more balanced market."

Other key highlights from July's preliminary data:

- Though year-to-date home sales are down 4 percent versus 2021, **totals through July (estimated to exceed 52,250) are still ahead of strong sales years in 2018 (52,119) and 2019 (51,307)**, as well as a disrupted-but-recovering 2020 (50,690).



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- Central Indiana saw a modestly larger 12 percent decline in closed sales for July 2022 versus 2021 and year-to-date totals (five percent below 2021), though median prices continued to rise at a faster pace in the nine-county region last month (13 percent over July '21).
- Year-to-date sales declines are greatest in East Central Indiana (11 percent) and North Central Indiana (9 percent).
- East Central and North Central Indiana also contradict the statewide trend of increased listings, with YTD declines approximately 4 percent each.
- Increased supply hasn't yet improved affordable access: Homes priced \$400,000-\$500,000 had the largest increase in new listings, while homes listed below \$200,000 remain below 2021.

Indiana Existing Home Sales, Median Prices: Four-Month, Year-to-Date Trends

| Monthly Existing Home Sales: Year-Over-Year & YTD Change | | | | | |
|--|-----------|-----------|-----------|------------------|------------------|
| | April | May | June | July | Year-to-Date |
| YOY Change | -2% | 2% | -8% | -10% | -4% |
| Monthly Median Home Prices, Year-Over-Year Change | | | | | |
| 2022 | \$235,000 | \$245,000 | \$250,000 | \$246,000 | \$235,000 |
| YOY Change | 18% | 15% | 14% | 10% | 15% |

Learn more about Indiana's housing market at www.IndianaRealtors.com.

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