

INDIANA ASSOCIATION OF REALTORS®

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FOR IMMEDIATE RELEASE: September 12, 2022

Indiana home sales stabilize but sellers pull back in August

Indiana REALTORS® expect August sales to finish 8% below 2021, but new listings drop more than 13% as homebuyers and sellers remain cautious about economy

(INDIANAPOLIS, Ind.) Indiana home sales rallied modestly in August to close the summer on a stable note, according to estimates released today by the Indiana Association of REALTORS®. Sales of existing homes grew four percent from July to reach 8,940 properties statewide; this total is 8 percent below August 2021 but narrows the year-over-year gap of more than 10 percent comparing July 2022 to '21.

Year-to-date home sales are over 61,000, down roughly 4.5 percent versus 2021 but ahead of 2018, 2019 and 2020. Continued price appreciation has lifted total sales volume more than \$1 billion above last year.

“Despite inflation and economic uncertainty, August sales were only modestly off the scorching – perhaps overheated – pace of 2021,” noted Indiana Association of REALTORS® CEO Mark Fisher. “We saw some buyers returning to a more balanced market with more favorable pricing.”

In contrast, homes newly listed for sale dropped sharply last month, down 9 percent from July and 13 percent compared to the previous August; every region of the state experienced a year-over-year downturn. Total year-to-date listings are now below 2021 after starting June four percent ahead as sellers grew more cautious about the cooling market over the past two months.

Median home prices also continued a summer slowdown, closing the month at \$240,000 compared to \$250,000 in June. Median prices are nearly 10 percent above August of 2021.

“Inflation and mortgage rate pressures hit housing demand first and now we’re seeing the full impact on supply,” said Fisher. “Even with prices up ten percent from last year, sellers aren’t as eager to join a market with less intense competition among buyers.”

Sales prices are averaging 99 percent of their original listing price, down from 100 percent in 2021 (but up from 98 percent in 2020). The typical sold home has been on the market 42 days from listing to closing in 2022, though August rose to match the 2021 average sales cycle of 44 days.

“Indiana hasn’t seen the dramatic ups-and-downs of the national housing market,” added Fisher, noting that U.S. home sales declined at nearly double Indiana’s year-over-year rate in June and July, with national data for August still pending. “Homes are still selling at a fairly brisk pace – good news for future property values and healthy demand that’s being overshadowed by current economic issues.”

Some additional highlights from August estimates on Indiana housing:



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- While every region of the state registered fewer new listings on the market than August '21, the largest drop came in Northwest-Central Indiana, stretching from Benton County through Lafayette to Kokomo and Tipton (22 percent fewer listings).
- Its neighbor to the south, the West Central region (including Vigo and Sullivan Counties across I-70 through Putnam County) saw the largest drop in year-over-year sales for August, down 15 percent. Year-to-date, however, West Central Indiana sales are trending *above* 2021 by a single percentage point (leading all regions).
- One region, Northeast Indiana, saw increased sales versus August '21, hitting nearly 1,000 sales (a 2 percent year-over-year gain).
- Northeast is also joined by Southeast Indiana with sales running essentially even with '21 on a year-to-date basis (with West Central Indiana as the only region also in positive territory for the year).
- East Central Indiana has experienced the largest year-to-date declines in both sales (-10.5 percent) and listings (-6.5 percent).
- Both home sales and listings dropped just over ten percent in Central Indiana for August; the region is still ahead of 2021 (year-to-date) by 2 percent in new listings, though sales are down by 6 percent (led by a nearly 8 percent decline in Marion County).
- The downward trend in listings continued to have the greatest impact on housing inventory priced below \$200,000, as August saw a 27.5 percent drop in homes listed in that price range versus 2021.

“Overall, August was a stabilizing month for Indiana home sales as slowing price growth seemed to lure some buyers back into the market,” Fisher said. “But the drop in new listings along with slow residential construction reported around the state reinforce our concerns over inventory – supply is still the biggest long-term challenge facing our housing sector.”

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

Indiana Existing Home Sales & Median Prices – Five-Month, Year-over-Year Trend

Monthly Existing Home Sales & Year-Over-Year % Change					
	April	May	June	July	August Estimate
2021	7,782	8,482	9,985	9,603	9,734
2022	7,616	8,646	9,202	8,614	8,940
YOY Change	-2%	2%	-8%	-10.5%	-8%
Monthly Median Home Prices, Year-Over-Year Change					
2021	\$200,000	\$213,000	\$220,000	\$223,000	\$219,000
2022	\$235,000	\$245,000	\$250,000	\$246,000	\$240,000
YOY Change	17.5%	15%	14%	10%	9.5%

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