

# INDIANA ASSOCIATION OF REALTORS®

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## **Seasonal slowdown and 7% mortgage rates pull Indiana monthly home sales 23% below October 2021; new listings also down 16%** ***Indiana housing market shows stability versus national trends***

(INDIANAPOLIS, Ind.) Indiana’s housing sector showed the fallout from thirty-year mortgage rates hovering near seven percent for much of October as the market braced for another steep rate increase by the Federal Reserve. Monthly home sales fell 23 percent below October 2021 after trending less than ten percent below last year’s record-setting pace over the previous quarter.

Preliminary estimates from the state’s eight Multiple Listing Services showed nearly 7,050 existing home sales for October, down from 9,206 last year and 8,188 in September.

Indiana Association of REALTORS® CEO Mark Fisher highlighted the national dynamics behind October’s decline: “Four consecutive three-quarter percent rate increases from the Fed is unprecedented – mortgage interest has added nearly \$250 to the monthly payment on a \$200,000 loan since the beginning of June, and Indiana certainly isn’t immune from the impact on homebuyers.”

Indiana’s housing market has remained more stable than the U.S. in the face of elevated inflation, higher interest rates and economic uncertainty: While statewide home sales fell ten percent below 2021 from July through September, third quarter sales plummeted more than 20 percent nationally.

Fisher noted a secondary factor behind October’s sharp year-over-year drop-off.

“Let’s also recall that 2021 was a very unusual year,” Fisher said. “Surging demand meant home sales hardly slowed from August through October. This year is following a more typical seasonal pattern from summer through fall that’s making the year-over-year decrease seem steeper by comparison.”

Sellers also pulled back in October, as new listings dropped 16 percent versus October ’21 even though Indiana’s monthly median sale price rose slightly from \$235,000 to \$236,000.

### **For homeowners and potential sellers, stabilizing prices are a positive sign for property values:**

Median prices also remain 12 percent above 2021 year-to-date, slightly above the national trend. Fisher observed that supply and demand is helping sellers capitalize on year-over-year price gains, even with fewer buyers.

“We still have buyers pursuing a near decade-low number of properties in Indiana,” he explained. “Even though we need to rebuild residential inventory for the future, we’ve also avoided the ups-and-downs of markets in the Sunbelt and along the coasts, where prices are dropping at a faster pace.”



### Buyers can find opportunities in a cooling market while watching rate movements:

Even though new listings have fallen, Indiana’s total inventory remains ahead of 2021 with properties on the market eight days longer on average (from list to close) versus last October. Determined buyers have more options and slowing price appreciation, though counterbalanced by higher borrowing costs.

“Current mortgage rates are a burden to buyers accustomed to the historically-low rates of the last several years, but we continue to see weekly fluctuations with the economic outlook,” Fisher finished. “We hope lending conditions start to improve with sustained progress on inflation and the Fed signaling the possibility of slower-paced increases starting in December.”

Year to date – January through October (preliminary) – statewide home sales are 7 percent below 2021, while new listings are three percent below last year’s ten-month total.

### Regional housing highlights:

- Every region of Indiana experienced a double-digit year-over-year decline in home sales for October, and every region but one (Northeast Indiana) saw a double-digit decrease in new listings versus October 2021.
- Central Indiana (MIBOR) saw a more modest year-over-year downturn, with closed sales finishing 21 percent below October 2021 (year-to-date sales are only slightly behind the statewide trend, just over 8 percent below 2021).
- West Central Indiana (Vigo, Clay, Sullivan, Parke and Vermillion Counties) continues to defy a sales slowdown – October sales were down 12 percent year-over-year, but year-to-date sales remain two percent above 2021.
- West Central Indiana joins Southwest Indiana (the greater Evansville area including Knox County), Southern Indiana along the Ohio River through Madison, and Northeast Indiana as areas outperforming statewide year-to-date sales relative to 2021.
- Along with solid year-to-date sales performance (-4 percent vs. 2021), Northeast Indiana saw new listings drop just one percent below 2021 for the year through October.
- For the third consecutive month, every region of the state experienced year-over-year decreases in new listings.

Explore the statewide and regional data and learn more about Indiana’s housing market at [www.IndianaRealtors.com/consumers/housing-data](http://www.IndianaRealtors.com/consumers/housing-data)

### Indiana Existing Home Sales & Median Prices – Six Month Totals & Trends:

	May	June	July	August	September	October
<b>2021 Monthly Sales</b>	8,482	9,985	9,603	9,734	9,360	9,206
<b>2022 Monthly Sales</b>	8,646	9,202	8,614	8,990	8,129	7,043
<b>YOY Change - Sales</b>	2%	-8%	-10.5%	-7.5%	-13%	-23%
<b>2022 Median Price</b>	\$245,000	\$250,000	\$246,000	\$240,000	\$235,000	\$236,000
<b>YOY Change - Price</b>	15%	14%	10%	9.5%	7%	9%

