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Indiana home sales show modest gains in May as new listings begin to catch up with homebuyer demand

Existing homes continue to sell quickly as the statewide median sale price rises to \$255,000; more sellers enter the market ahead of summer buying season

(INDIANAPOLIS, Ind.) An upturn in new listings in May was welcome news for an Indiana housing market that has continued to face residential inventory challenges this spring: 9,063 properties were listed for sale, 14% higher than April listings while remaining 17% below May 2022. Monthly home sales also gained momentum as inventory pressure eased, growing 18% from April to reach 7,298.

The increase in new listings drove the total supply of homes for sale across the state's eight MLS marketplaces higher, to 8,774 average daily listings through May. After unexpectedly buying activity in February and March, statewide inventory had threatened to dip below 8,000 daily listings at the end of the first quarter; a drop in April sales followed this decline in available properties.

"Homebuyers came back to the market much faster than sellers early this year," explained Lynn Wheeler, Indiana Association of REALTORS® president. "After a falling inventory of homes slowed the pace in April and the early part of May, real estate seems to be regrouping as we head into summer."

May sales still fell 16% shy of 2022's monthly total but closed the 19% year-over-year gap from April.

Other indicators point to recovering demand pursuing a limited supply of homes for sale, starting with another increase in year-over-year home values:

- Indiana's median sale price rose to \$255,000 in May versus \$245,000 in April, continuing to grow 4% above 2022.
- Sale prices averaged 98% of original listing price, up from 97% in April (also the five-year average for Indiana).
- Homes continued to sell quickly, dropping below a week (six days) from listing to pending contract versus eight days in April (and twenty-five days in January).
- New pending sales also increased to 7,883 in May – 10% above April (but 15% below May '22).

"We're certainly seeing a more competitive homebuying climate," Wheeler added, noting that one of every three homes sold last month was under a pending contract within three days of listing. "Even with higher mortgage rates, growing numbers of buyers are ready to act now and refinance in a year or two if they find the right home in this tight market."

IAR CEO Mark Fisher said that May's increase in new listings is a positive sign for an active summer but shouldn't ease concerns over Indiana's long-term inventory issues.



“Even though total home sales are behind the first five months of 2021 or 2022 we continue to see faster sales and higher prices – trends that are bringing more sellers off the sidelines and helping new listings catch up with seasonal demand,” Fisher said. “Buyers do have more options than they did last month or last year, but we still have a bigger housing shortage that we need to solve to make homeownership affordable and accessible to more Hoosiers.

“Our total inventory of homes for sale is 20% higher than May 2022, but still more than 30% below 2020 and half the level of average listings in 2019,” Fisher finished.

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

