

INDIANA ASSOCIATION OF REALTORS®

143 W Market St, Ste 100, Indianapolis, IN 46204

(317) 913-3230 | toll-free (800) 284-0084 | indianarealtors.com



INDIANA
ASSOCIATION
OF REALTORS®

CONTACT: Chris Watts (317) 514-3184 and/or cwatts@IndianaRealtors.com

FOR IMMEDIATE RELEASE: August 14, 2023

Indiana home sales and new listings continue to fall below 2022 as mortgage rates hover near 7%; sales finish 19% behind last July

Inventory of homes for sale also slips below July 2022, helping keep the state median sale price above \$256,000 for second straight month

Check out the **Indiana Association of REALTORS® July Housing Report** for more:
<https://indianarealtors.com/wp-content/uploads/2023/08/2023-07-Indiana-Housing-Report.pdf>

(INDIANAPOLIS, Ind.) Indiana home sales and new listings fell below 2022 levels in July as increased mortgage rates and persistent inventory challenges caused a mid-summer pullback in real estate activity. Existing home sales (6,941) finished 19% below July 2022, while new listings (8,560) dropped 17% year-over-year, according to data from the Indiana Association of REALTORS® (IAR).

Congressional brinksmanship on the U.S. debt limit, concerns over banking resilience and another quarter-percent rate hike from the Federal Reserve drove mortgage rates back towards 7% this summer, slowing a modest rally that had seen statewide sales grow 30% from April through June.

Elevated rates have also caused potential sellers to pause before swapping their pre-2022 mortgages for a cooling market. Fewer new listings tightened the average daily inventory of homes for sale across Indiana's eight MLS marketplaces to 10,118 versus 11,320 in July 2022. Limited supply helped keep the state median sale price virtually unchanged from June, at \$256,250.

IAR president Lynn Wheeler noted that Indiana's housing market has held up better than most of the country: While sales fell 14% through the first six months of the year, the National Association of REALTORS® (NAR) reports a 23% drop-off from 2022 to 2023 year-to-date.

"Even though closings are down, our median sale price has hit an all-time high and buyers are still moving quickly when new homes hit the market," Wheeler said, adding that days from listing to pending contract averaged eight days in July – a fast-paced market by pre-2021 standards. "Hoosier homeowners are still doing very well when they decide to make a move and list with a professional."

Wheeler explained that a less-hectic homestretch into autumn could also bring unexpected opportunities for homebuyers.

"Higher rates and prices put pressure on budgets, but the current market also means less competition than the past two summers," she said. "We've also seen the number of properties with price decreases rise from 10 % of total inventory in spring to 15% in July as sellers who may have been too aggressive are adjusting expectations as we hit the last month of summer.

"We've also seen the average sale price as a percentage of original listing price drop slightly after sitting above 98% since May...one more sign of buyers gaining a little bargaining power," she finished.



NAR Chief Economist Lawrence Yun declared last month that “The recovery has not yet taken place, but [the housing recession is over](#).” Both Wheeler and IAR CEO Mark Fisher expressed confidence that there’s unmet demand for housing across Indiana.

“Home prices, time on market and the close relationship between pending sales activity and new listings this year all point to healthy demand that’s being held back by high rates and a shortage of homes for sale,” said Fisher. “Inventory is a longer-term challenge, but lower mortgage rates will certainly help bring more homebuyers and sellers back to the market.”

More July Highlights:

- July’s 6,941 closed sales bring the 2023 year-to-date total to 44,406, or 15% below 2022.
- Year-to-date listings have reached 54,207 with the addition of 8,560 in July, 17% behind the first seven months of last year.
- July’s median sale price of \$256,250 is the second-highest monthly median price in Indiana history, behind June (\$256,950); the highest median price of 2022 was \$250,000 last June.
- July continued to reinforce the pressure that higher rates and rising prices are putting on homebuyers with less budget flexibility: Sales under \$250,000 were down 25% year-over-year, sales between \$250,000 and \$749,000 fell 16% and sales of \$750,000+ were up 27%.
- July inventory (10,118 average daily listings) represents a middle ground between the year’s highest level in January (13,000) and most limited supply in April (8,275).
- Sales in Indiana’s rural counties held up better than the state in July, down 15% year-over-year.
- Among Central Indiana counties with at least 1,000 year-to-date sales, Hamilton and Madison counties have outperformed statewide sales trends, while Johnson County has matched the state’s 15% year-over-year deficit (with Boone just 5% below 2022 but not yet hitting 1,000 sales).
- St. Joseph and Clark counties have also outpaced the state’s year-over-year performance with at least 1,000 sales, while Lake, Elkhart, Vanderburgh and Allen counties have generally been consistent with the state-level trend versus 2022.
- Indiana’s smaller cities, like Bloomington, South Bend (despite St. Joseph County’s solid trend), Columbus, and Muncie fell below the statewide threshold, as July sales were 24% lower than 2022 in these communities.

For more detail on local real estate market data, contact Chris Watts at cwatts@IndianaRealtors.com.

July 2023 Summary:

Total (Closed) Sales:	6,941 (-14% vs. June 2023, -19% vs. July 2022)
New Pending Sales:	7,423 (-2% vs. June 2023, -12% vs. July 2022)
New Listings:	8,560 (-8% vs. June 2023, -17% vs. July 2022)
Total Inventory (Average Daily Listings):	10,118 (+6% vs. June 2023, -6% vs. July 2022)
Median Sale Price:	\$256,250 (-0% vs. June 2023, +4% vs. July 2022)

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

