A month in review: The March housing market

Every month, economists release a number of indices, reports and analyses of the housing market, and it can be difficult to keep up with them all.

Thankfully, the National Association of Realtors (NAR) recapped the month in its new Housing Minute monthly video series.

March existing-home sales **increased 1.1 percent to a seasonally adjusted annual rate (SAAR) of 5.6 million, and home sales prices rose 5.8 percentage points to $250,400.**

- March's sales pace is the strongest since November 2017 (5.72 million).
- Total housing inventory increased 5.7 percent points month-over-month to 1.67 million homes for sale, while year-over-year inventory dropped 7.2 percentage points, its 34th consecutive month of year-over-year declines.
- NAR Chief Economist Lawrence Yun said supply continues to be unable to meet buyer demand — a factor that will lead to an uber-competitive spring homebuying season.
- "Realtors throughout the country are seeing the seasonal ramp-up in buyer demand this spring but without the commensurate increase in new listings coming onto the market," said Yun. "As a result, competition is swift and homes are going under contract in roughly a month, which is four days faster than last year and a remarkable 17 days faster than March 2016."

Pending home sales **inched ahead 0.4 percent to 107.6 — up from a downwardly revised 107.2 in February.**

Yun said low inventory is keeping pending home sales from growing at a higher rate.

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- “Steady price growth and the swift pace listings are coming off the market are proof that more supply is needed to fully satisfy demand. What continues to hold back sales is the fact that prospective buyers are increasingly having difficulty finding an affordable home to buy.”

New residential home sales **rose 4 percent month-over-month (+/- 18.6 percent) and an 8.8 percent year-over-year (+/- 17.0 percent) increase in home sales.**

- New single-family home sales rose to a seasonally adjusted rate of 694,000, and the estimate of new homes for sale at the end of March was 301,000.
- The median sales price was $337,200.
- The average sales price was $369,900.

In addition to ramping up residential housing starts, housing experts have said more homeowners need to put their homes on the market to bolster inventory. But a new study from Bankrate **said the majority of homeowners plan to stay in their current homes indefinitely.**

- According to Bankrate’s survey, 79 percent of homeowners plan to stay in their home for at least five years. Another 62 percent said they’ll never move.
- Bankrate.com Senior Economic Analyst Mark Hamrick said homeowners aren’t willing to jump into a market with record-breaking home price growth and mortgage rates nearing 5 percent.
- Instead, Hamrick said the real estate and housing industries will have to focus on three things: increased residential building, reduction of building and zoning regulations and pushing for more programs for first-time and under-served buyers.
- “Local governments should look where they can to provide assistance or actual housing for the under-served,” Hamrick added. “The upward move in mortgage interest rates, with further upward moves expected, adds further to the challenges associated with housing affordability.”

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