



Tuesday, March 19, 2019

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RE/MAX National Housing Report for February 2019

Declining Sales, Growing Inventory Continue to Move in Direction of Buyer's Market

DENVER – Riding two trends—declining sales and growing inventory— the U.S. housing market continued to transition from a seller's market to a buyer's market in February, according to the RE/MAX National Housing Report.

Home sales in the 54-market report have declined year-over-year for seven consecutive months, though February's downturn of 4.2% was the smallest since the 1.1% drop that started the streak in August 2018. At the same time, inventory grew 5.8% over February of 2018, marking the fifth consecutive month of growth following a decade-long trend of shrinking inventory. The Months Supply of Inventory also grew in February from 3.1 in 2018 to 3.4 this year.

Bucking these trends, the Median Sales Price increased to \$240,000, a year-over-year gain of 5.5% and a February record in the 10-year history of the report. That followed January's upturn of 4.6%.

Days on Market totaled 63—one day more than February 2018 and four days more than January 2019.

"Trends of five months or more often indicate significant shifts, and the year-over-year trends in declining sales and rising inventory have both reached that length now," said RE/MAX CEO Adam Contos. "It's interesting to see the slowing sales and growing inventories that benefit buyers and at the same time the record prices that benefit sellers. The big picture supports an ongoing return to more balanced conditions."

"The next few months will determine whether the shift brings a wave of buyers into the market for the spring selling season. Members of our network are reporting high local demand along with a need for even more inventory. The optimism for a solid spring exists – and a more balanced market certainly contributes to it."

Closed Transactions

Of the 54 metro areas surveyed in February 2019, the overall average number of home sales is up 10.2% compared to January 2019, and down 4.2% compared to February 2018. Leading the month-over-month sales percentage increase were Houston, TX at +28.8%, Birmingham, AL at +26.7%, and Raleigh-Durham, NC at 26.5%.

Median Sales Price – Median of 54 metro median prices

In February 2019, the median of all 54 metro Median Sales Prices was \$240,000, up 2.2% from January 2019, and up 5.5% from February 2018. Nine metro areas saw a year-over-year decrease

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in Median Sales Price including Birmingham, AL at -4.2%, Hartford, CT at -4.0%, and Anchorage, AK at -3.9%. Four metro areas increased year-over-year by double-digit percentages, with the largest increases seen in Boise, ID at +16.0%, Cincinnati, OH at +13.2%, and Wilmington/Dover, DE at +12.6%.

Days on Market – Average of 54 metro areas

The average Days on Market for homes sold in February 2019 was 63, up four days from the average in January 2019, and up 1 day from the February 2018 average. The metro areas with the lowest Days on Market were Omaha, NE at 34, San Francisco, CA at 37, and a two-way tie between Denver, CO and San Diego, CA at 42. The highest Days on Market averages were in Augusta, ME at 120, Trenton, NJ at 113, and Hartford, CT at 96. Days on Market is the number of days between when a home is first listed in an MLS and a sales contract is signed.

Months Supply of Inventory – Average of 54 metro areas

The number of homes for sale in February 2019 was down 1.4% from January 2019 and up 5.8% from February 2018. Based on the rate of home sales in February 2019, the Months Supply of Inventory decreased to 3.4 from 3.9 in January 2019, and increased compared to 3.1 in February 2018. A six months supply indicates a market balanced equally between buyers and sellers. In February 2019, five of the 54 metro areas surveyed reported a months supply at or over six months, including Miami, FL at 7.6 and Indianapolis, IN at 7.4, which is typically considered a buyer's market. The markets with the lowest Months Supply of Inventory were Denver, CO at 1.4 and San Francisco, CA at 1.6.

For specific data in this report or to request an interview, please contact newsroom@remax.com.

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About the RE/MAX Network

As one of the leading global real estate franchisors, RE/MAX, LLC is a subsidiary of RE/MAX Holdings (NYSE: RMAX) with over 125,000 agents in more than 110 countries and territories. Nobody in the world sells more real estate than RE/MAX, as measured by residential transaction sides. Dedicated to innovation and change in the real estate industry, RE/MAX launched Motto Mortgage, a ground-breaking mortgage franchisor, in 2016 and acquired booj, a real estate technology company, in 2018. RE/MAX agents have lived, worked and served in their local communities for decades, raising millions of dollars every year for Children's Miracle Network Hospitals® and other charities. To learn more about RE/MAX, to search home listings or find an agent in your community, please visit www.remax.com. For the latest news about RE/MAX, please visit www.remax.com/newsroom.

Description

The RE/MAX National Housing Report is distributed each month on or about the 15th. The first Report was distributed in August 2008. The Report is based on MLS data in approximately 54 metropolitan areas, includes all residential property types, and is not annualized. For maximum representation, many of the largest metro areas in the country are represented, and an attempt is made to include at least one metro from each state. Metro area definitions include the specific counties established by the U.S. Government's Office of Management and Budget, with some exceptions.

Definitions

Transactions are the total number of closed residential transactions during the given month. Months Supply of Inventory is the total number of residential properties listed for sale at the end of the month (current inventory) divided by the number of sales contracts signed (pending) during the month. Where "pending" data is unavailable, this calculation is made using closed transactions. Days on Market is the number of days that pass from the time a property is listed until the property goes under contract for all residential properties sold during

the month. Median Sales Price is the median of the median sales prices in each of the metro areas included in the survey.

MLS data is provided by contracted data aggregators, RE/MAX brokerages and regional offices. While MLS data is believed to be accurate, it cannot be guaranteed. MLS data is constantly being updated, making any analysis a snapshot at a particular time. Every month the RE/MAX National Housing Report re-calculates the previous period's data to ensure accuracy over time. All raw data remains the intellectual property of each local MLS organization.

