

# Residential Real Estate Market Snapshot Report

August 2024

National Association of REALTORS®  
Research Group



NATIONAL  
ASSOCIATION OF  
REALTORS®

# Overview

## Housing Market in July 2024

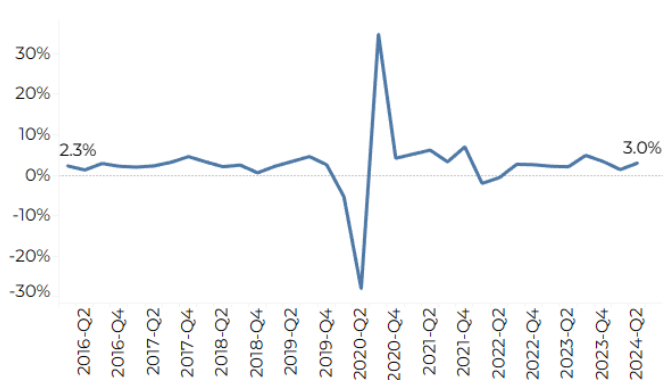
As the market transitions into the third quarter, mortgage rates remain below the 7% mark. In July, home sales saw an uptick, stopping a four-month decline that began in March 2024. On a regional level, three out of the four U.S. regions registered sales increases while the Midwest remained steady. As a result, the median sales price has increased by 4.2% year-over-year and all four regions reported higher prices.

Demographic trends and job growth have sustained strong market demand, but the current housing supply is struggling to keep up. Despite that, consumers are starting to see more choices, and affordability could improve soon as interest rates go lower.

July CPI reached 2.9%, getting closer to the Federal Reserve's target rate of 2%. NAR expects that calmer inflation will prepare the grounds for the rate-cutting process to begin in September. Overall, with the treasury yield continuing its decline trend, the market is presenting favorable conditions for borrowers. If mortgage rates keep declining after the summer, the housing market is expected to gain momentum in the following months.

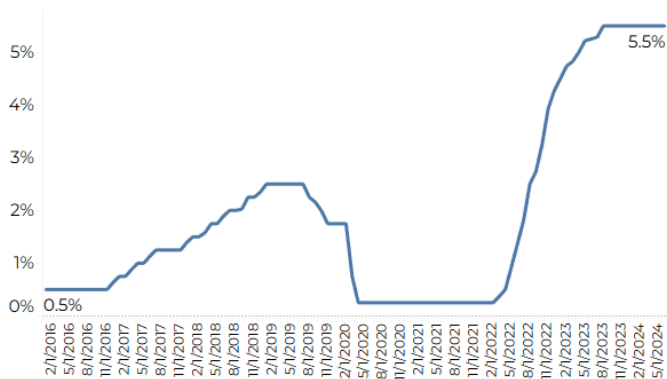
# Economic Activity

## Gross Domestic Product



Percent Change, Annualized Rate  
Source: Bureau of Economic Analysis

## Interest Rates



Effective Federal Funds Rate, Upper Limit  
Source: Federal Reserve Board

Q2 2024: **3.0%**

Q1 2024: **1.4%**

Q2 2023: **2.1%**

The economy grew at a faster rate in the second quarter of the year. According to the “second” estimate from the Bureau of Economic Analysis (BEA), the real gross domestic product (GDP) increased by 3.0% in Q2 2024, up from a 2.1% increase in the second quarter of 2023.

July 2024: **5.5%**

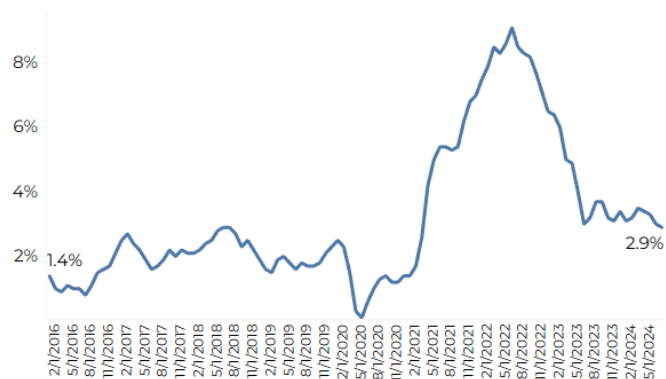
June 2024: **5.5%**

July 2023: **5.3%**

The Federal Reserve maintained its short-term interest rate at 5.5% in July, unchanged since August 2023. A further slowdown of inflation expected in the following months may enable the Fed to cut rates as soon as in September. The Fed aims to reduce inflation to its 2% average target.

# Economic Activity

## Inflation

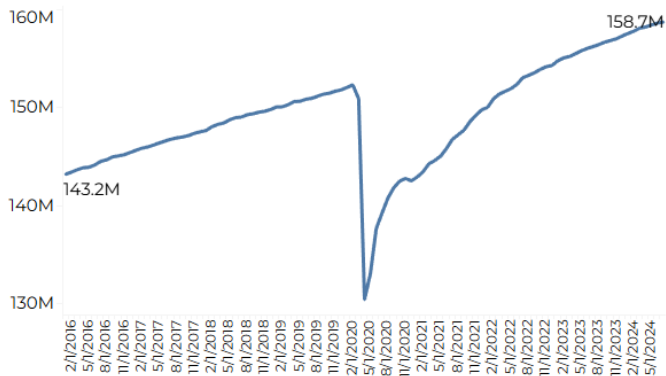


CPI Year/Year Percent Change, Seasonally Adjusted  
Source: Bureau of Labor Statistics

July 2024: **2.9%**  
June 2024: **3.0%**  
July 2023: **3.2%**

Consumer prices rose by 2.9% in July, getting closer to the Fed's 2% target rate and setting them to start the rate-cutting process in September. Shelter costs decelerated to 5.0%, which is still relatively high, but trending down as a temporary oversupply of new apartment units will further dent the figures.

## Employment



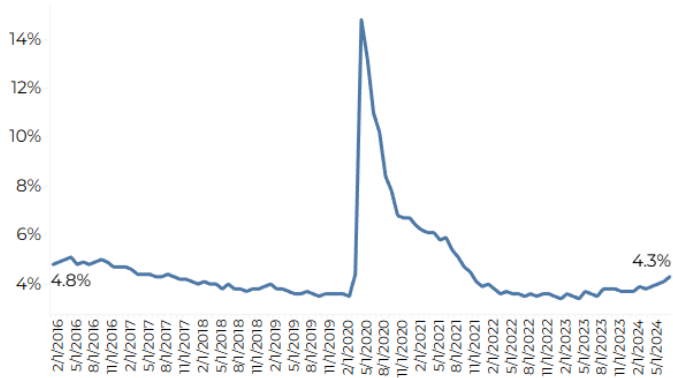
Payroll Employment, Seasonally Adjusted  
Source: Bureau of Labor Statistics

July 2024: **158.7 million**  
June 2024: **158.6 million**  
July 2023: **156.2 million**

The U.S. labor market rose by 114,000 in July, which is still slower than the average monthly gain of 215,000 over the past 12 months. The same month employment continued to trend up in health care, construction, and transportation and housing, while the information industry lost jobs.

# Economic Activity

## Unemployment

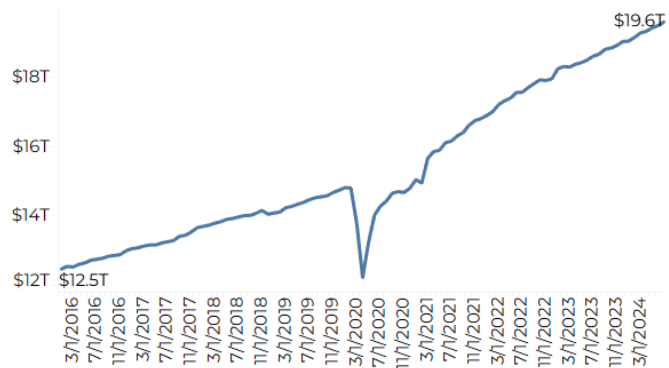


Unemployment Rate, Seasonally Adjusted  
Source: Bureau of Labor Statistics

July 2024: **4.3%**  
June 2024: **4.1%**  
July 2023: **3.5%**

In July, the unemployment rate rose by 0.2 percentage points to 4.3%, and the number of unemployed people increased by 352,000 to 7.2 million. This increase is higher than a year earlier when the rate was 3.5%, and the number of unemployed people was 5.9 million.

## Consumer Spending



Personal Consumption Expenditures, Seasonally Adjusted  
Source: Bureau of Economic Analysis

July 2024: **\$19.6 trillion**  
June 2024: **\$19.4 trillion**  
July 2023: **\$18.6 trillion**

In July, personal consumption expenditures increased faster than the previous month by 0.5%. The \$103.8 billion increase in current-dollar spending reflected an increase of \$59.3 billion in spending on services and \$44.5 billion in spending on goods.

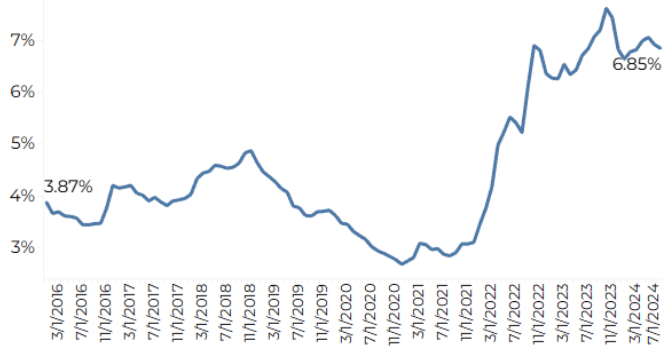
# Economic Activity

## 10-Year Treasury Yield



Percent  
Source: U.S. Treasury

## Mortgage Rates



30-Year Fixed Mortgage Rate, Monthly Averages  
Source: Federal Home Loan Mortgage Corporation

July 2024: **4.25%**  
June 2024: **4.31%**  
July 2023: **3.90%**

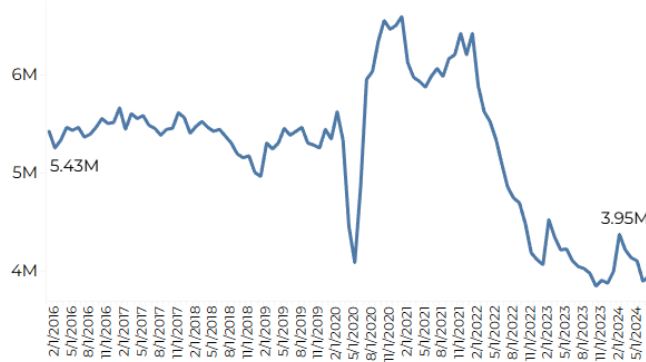
In July, the 10-year Treasury rate slightly fell from the previous month, hovering around 4.25%. With the expected rate cuts by the Federal Reserve, NAR predicts that the yield will fall further to 4.1% by year's end, presenting favorable conditions for borrowers.

July 2024: **6.85%**  
June 2024: **6.92%**  
July 2023: **6.84%**

Mortgage rates fell to 6.85% in July and are expected to drop further in the following months. As a result, mortgage loan applications continue to go up.

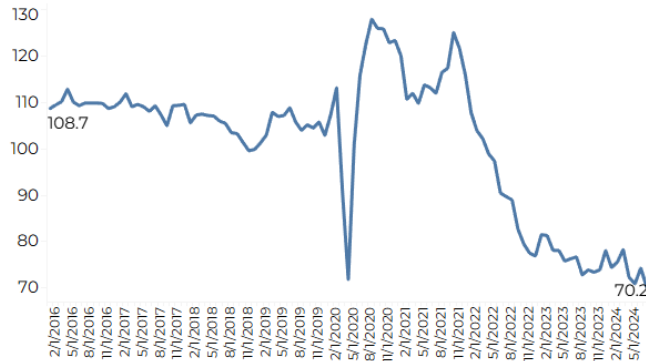
# Housing Market

## Existing Home Sales



Annualized  
Source: NAR

## Pending Home Sales



PHS Index, Seasonally Adjusted  
Source: NAR

July 2024: **3.95 million**  
June 2024: **3.90 million**  
July 2023: **4.05 million**

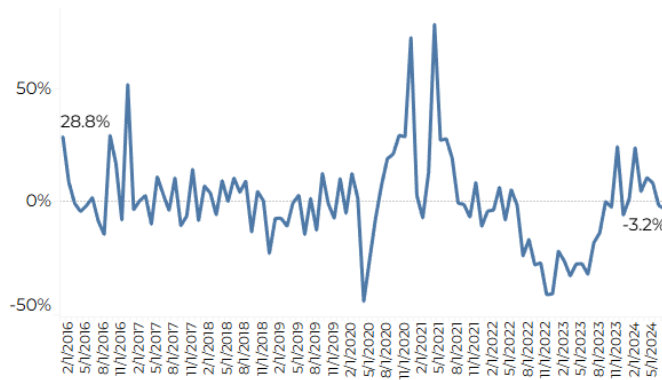
Home sales grew 1.3% in July to a seasonally adjusted rate of 3.95 million, stopping a four-month sales decline that began in March. However, year-over-year sales fell 2.5%. Three out of four major U.S. regions had increased sales, while the Midwest remained unchanged.

July 2024: **70.2**  
June 2024: **74.3**  
July 2023: **76.7**

In July, pending home sales fell 5.5% from the previous month, reflecting the impact of relatively higher mortgage rates in homebuying activity. The Pending Home Sales Index (PHS) level for the month of July was 70.2, the lowest reading since the index began tracking in 2001.

# Housing Market

## New Listings

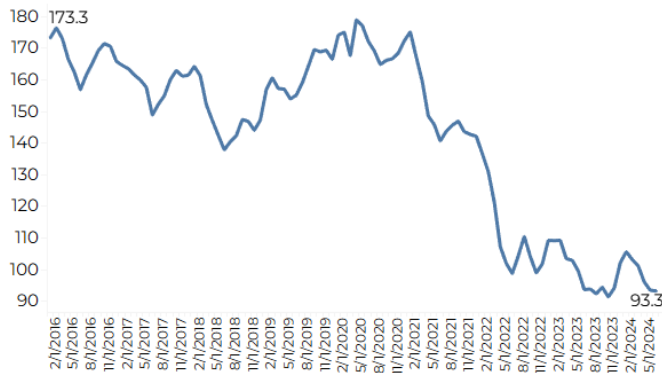


Year/Year Percent Change in New Listings  
Source: NAR

July 2024: **-3.2%**  
 June 2024: **-1.7%**  
 July 2023: **-18.3%**

In July, new listings saw a larger decrease than the previous month. Specifically, new listings decreased year-over-year by 3.2% in July compared to 1.7% in June.

## Housing Affordability



HAI Index, Seasonally Adjusted  
Source: NAR

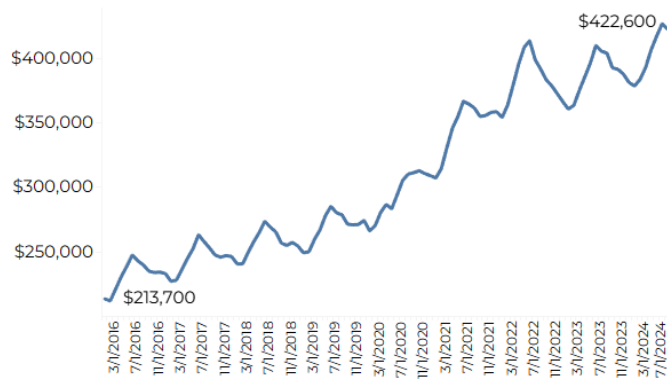
June 2024: **93.3**  
 May 2024: **93.5**  
 June 2023: **93.7**

According to NAR's Housing Affordability Index, housing affordability fell in June compared to the previous month. The index has been below 100 since April of 2024, which means that the typical family cannot afford to buy the median-priced home because their income is below the qualifying threshold.



# Housing Market

## Median Sales Price

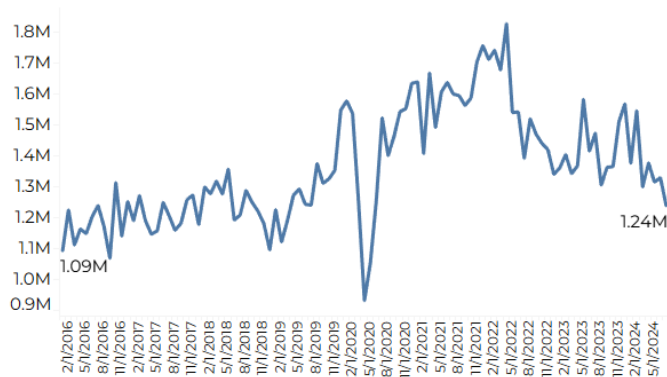


Existing Single-Family Homes  
Source: NAR

July 2024: **\$422,600**  
June 2024: **\$426,900**  
July 2023: **\$405,600**

The median existing-home sale price for all housing types in July was \$422,600, up 4.2% from one year ago. Regionally, all four U.S. regions posted price increases that month.

## Housing Starts



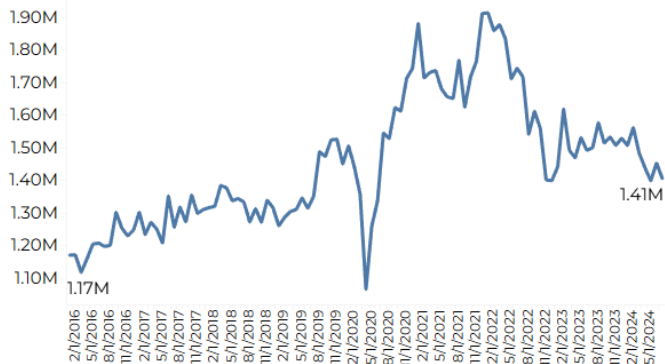
Annualized  
Source: Census Bureau

July 2024: **1.24 million**  
June 2024: **1.33 million**  
July 2023: **1.47 million**

In July, home construction was once again below 1.3 million units, setting the record for the lowest level since May 2020. Privately-owned housing starts in July were 6.8% below the revised June estimate of 1.33 million and 16.0% below the July 2023 rate of 1.47 million.

# Housing Market

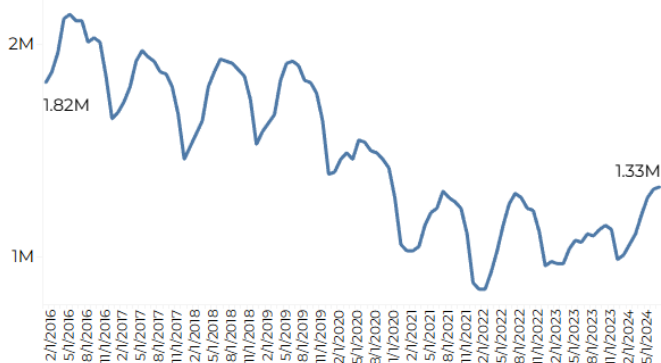
## Building Permits



Seasonally Adjusted

Source: Census Bureau, Haver Analytics

## Inventory



Total Existing Home Sales Available for Sale, Unadjusted

Source: NAR

July 2024: **1.41 million**  
June 2024: **1.45 million**  
July 2023: **1.50 million**

Respectively, another measure of housing construction, building permits issued in July fell to 1.41 million. The July rate of privately-owned housing units authorized for building was 3.3% below the revised June rate of 1.45 million and 6.3% below the July 2023 rate of 1.50 million.

July 2024: **1.33 million**  
June 2024: **1.32 million**  
July 2023: **1.11 million**

Inventory has been consistently increasing since the beginning of the year. In July, total housing inventory was 1.33 million units, up 0.8% from June and 19.8% from one year ago. However, even with this increase, demand continues to outpace housing supply, leading to rising home prices.

## NATIONAL ASSOCIATION OF REALTORS®

The National Association of REALTORS® is America's largest trade association, representing more than 1.5 million members, including NAR's institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

## RESEARCH GROUP

The Mission of the NATIONAL ASSOCIATION OF REALTORS® Research Group is to produce timely, data-driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner. To find out about other products from NAR's Research Group, visit [nar.realtor/research-and-statistics](https://nar.realtor/research-and-statistics)

## NATIONAL ASSOCIATION OF REALTORS®

Research Group

500 New Jersey Avenue, NW

Washington, DC 20001

202-383-1000

[data@nar.realtor](mailto:data@nar.realtor)

©2024 National Association of REALTORS®

All Rights Reserved.

May not be reprinted in whole or in part without permission of the National Association of REALTORS®.

For reprint information, contact [data@nar.realtor](mailto:data@nar.realtor)

