

Lack of inventory may hurt home sales

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A general slowdown in sales of existing homes is a trend across the country, and low inventory is believed to be the primary culprit.

While closed sales were up 7.2 percent in northeast Indiana in June, compared with the same month in 2016, pending sales are down 4.8 percent and new listings are off 5.3 percent, according to the newest data from the Upstate Association of Realtors.

Inventory levels are down 22 percent and the months supply of inventory dropped 24.1 percent, to 2.2 months.

“There is strong demand for home buying, emphasized by higher prices and multiple offers on homes for sale in many submarkets,” the report noted.

The percent of list price received in June was 96.6 percent, up 0.8 percent from May, the report said.

The dearth of homes for sale is driving up prices, which means that the region’s affordability index has declined by 6.9 percent. For the first half of the year,

closed sales in northeast Indiana are up 2.8 percent and the median price is up 4.1 percent, to \$130,000.

Statewide, closed sales rose 5.5 percent in the first half of this year from the same period in 2016, and the median price is up 3.5 percent, to \$145,000, according to the Indiana Association of Realtors.

With job creation increasing and mortgage rates remaining low, the pull toward home ownership is expected to continue, the UPSTAR report said, and some are beginning to worry that a serious housing shortage could be in the cards if new construction and building permits lag.

The number of new home permits filed in the six-county region covered by the Home Builders Association of Fort Wayne rose 5 percent in the first half of the year, compared with the same period in 2016. But contractors are running into labor shortages that are slowing down how much they can build and how fast.

The HBA data covers the counties of Adams, Allen, DeKalb, Huntington, Wells and Whitley. The UPSTAR MLS includes those counties as well as Noble County.

County	No. homes sold	% change in closed sales	median price	% change in median price
Adams	104	-13.3%	\$93,500	14.0%
Allen	2,810	3.3%	\$134,000	5.1%
DeKalb	312	20.0%	\$126,750	9.0%
Elkhart	1,006	12.3%	\$140,000	8.1%
Huntington	225	14.3%	\$87,500	0.6%
Kosciusko	404	-14.0%	\$147,766	5.6%
LaGrange	88	-5.4%	\$144,500	15.6%
Noble	229	8.5%	\$125,500	9.2%
Steuben	241	13.1%	\$146,900	-0.7%
Wabash	164	25.2%	\$85,000	5.7%
Wells	154	-3.3%	\$110,000	1.6%
Whitley	220	11.7%	\$127,900	-0.5%

*compared to Jan.-June 2016

Source: Indiana Association of Realtors, current as of July 20