



FOR IMMEDIATE RELEASE

Tuesday, April 22, 2025

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Spring Gains Absent as New Home Metrics Stall

Year-over-year comparisons remain tepid; market conditions stay near average

NEWPORT BEACH, CALIF., April 22, 2025 — Today, the experts at Zonda, the housing industry's foremost advisors, released the New Home Market Update report for March 2025.

As market analysts, we monitor both concrete and objective "hard data" and more nuanced "soft data" that reflects feelings and perceptions. March marked a turning point for the soft data as economic uncertainty began to weigh on consumers, businesses, and investors. This downshift in sentiment was also evident in Zonda's builder survey, which focuses on the new home market.

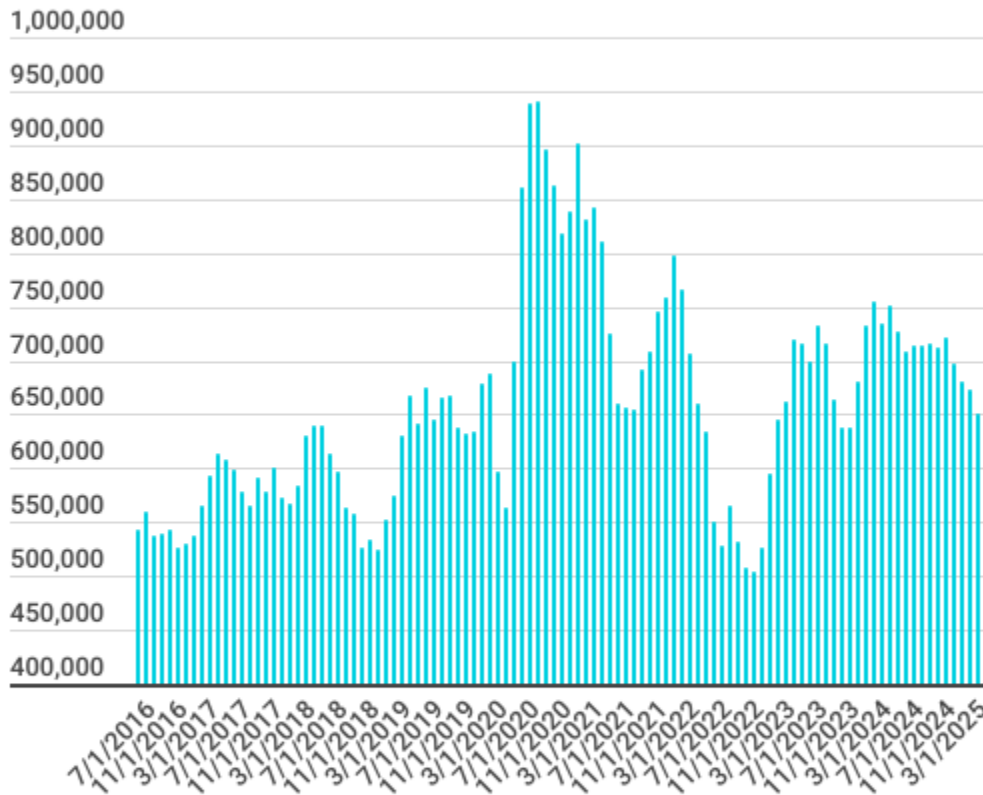
In March 2024, 5% of homebuilders told Zonda that "demand is slower and causing concern." Those responses jumped to nearly 40% this year. This matched with our actual data on the new home market, which showed sales remained relatively flat month-over-month and are down year-over-year.

"The March housing market trends almost seem irrelevant given the current climate," said Ali Wolf, chief economist for Zonda and NewHomeSource. "The on-again-off-again tariffs, wild gyrations in the stock market, and volatility in mortgage rates are adding an extra layer of uncertainty for today's homebuyers. We are tracking to see if consumers can brush it off or decide to move to the sidelines for now."

New home sales tick down again, lowest since 2023

Zonda's new home sales metric counts the number of new home contract sales each month and accounts for both cancellations and seasonality. This metric shows there were 650,355 new homes sold in March on a seasonally adjusted annualized rate. This was a decline of 3.2% from last month and a drop of 11.5% from a year ago. On a non-seasonally adjusted basis, 61,350 homes were sold, 11.7% lower than last year and 4.4% above the same month in 2019.

New Home Sales (SAAR)

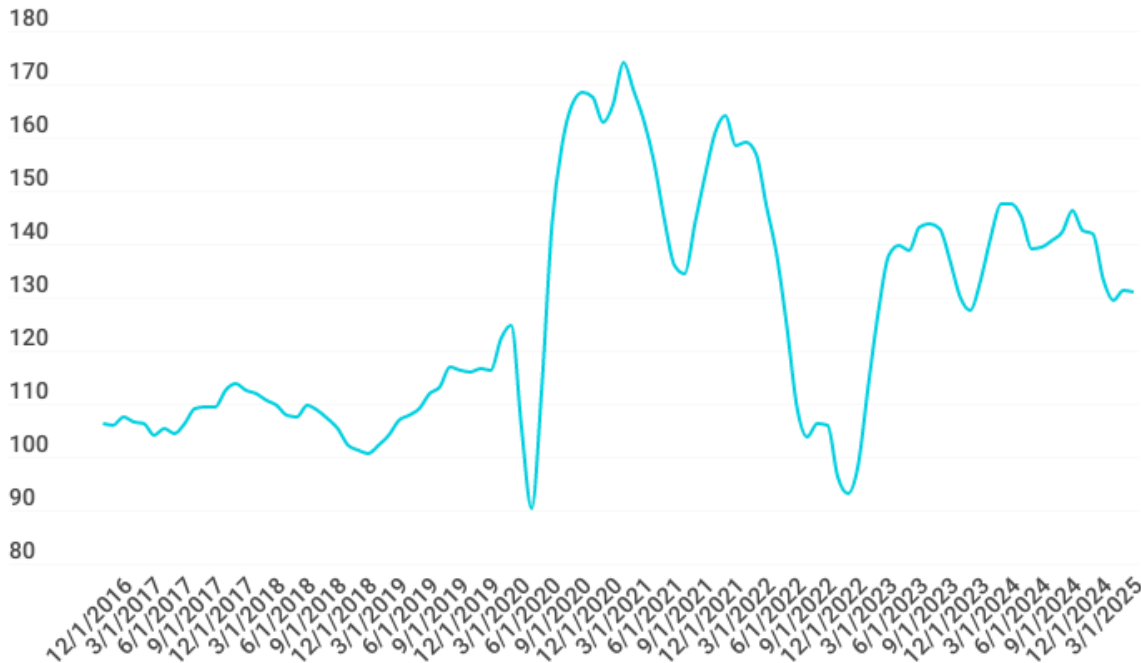


Source: Zonda

The PSI was relatively flat month-over-month, still near two-year low

Zonda's New Home Pending Sales Index (PSI) was created to help account for fluctuations in supply by combining both total sales volume with the average sales rate per month per community. The March PSI came in at 131.0, representing a 11.3% decline from the same month last year. The index is currently 24.8% below cycle highs. On a month-over-month basis, seasonally adjusted new home sales decreased 0.2%.

New Home Pending Sales Index



Source: Zonda

- Only four top markets had positive PSI growth year-over-year, led by Minneapolis (+2.2%), Baltimore (+1.5%), and Charlotte (+1.3%). Minneapolis was up compared to last year but fell 5.9% month-over-month.
- Inversely, the metros that performed the worst year-over-year were San Francisco (-39.8%), Riverside/San Bernardino (-33.5%), and Austin (-21.5%).
- On a monthly basis, Denver, Sacramento, and Las Vegas were the best performing markets. Denver increased 32.0% relative to last month.

New Home Pending Sales Index for Select Markets

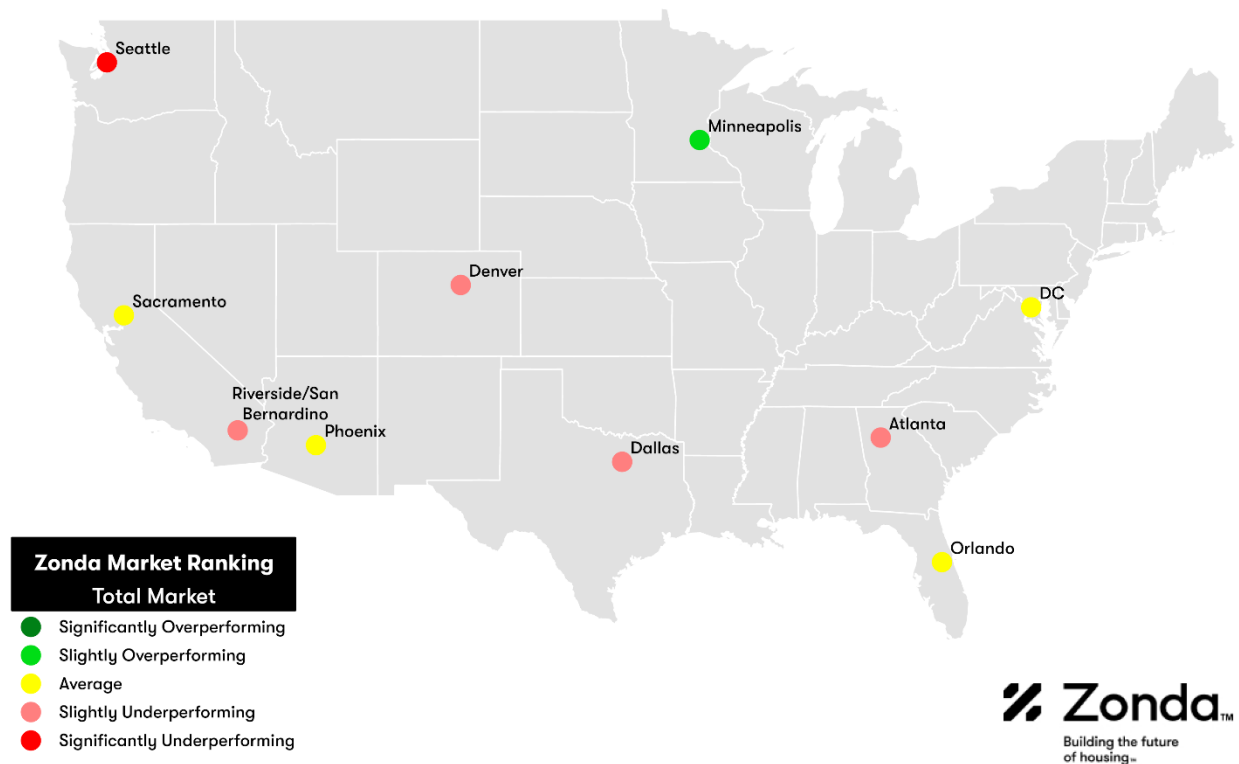
Rank	METRO	SA MOM	SA YOY
1	Minneapolis	-5.9%	2.2%
2	Baltimore	-4.2%	1.5%
3	Charlotte	8.5%	1.3%
4	Jacksonville	3.0%	0.7%
5	Phoenix	7.1%	-0.2%
6	Cincinnati	-3.4%	-0.9%
7	San Antonio	-6.7%	-1.1%
8	Philadelphia	-6.1%	-1.8%
9	Denver	32.0%	-4.3%
10	Las Vegas	13.5%	-6.0%
11	New York	3.3%	-9.2%
12	Orlando	2.1%	-9.5%
13	Dallas	-1.7%	-11.5%
14	Houston	0.0%	-12.1%
15	Tampa	-6.8%	-13.2%
16	Washington, DC	-5.1%	-13.2%
17	Salt Lake City	-11.6%	-14.9%
18	Sacramento	14.5%	-15.9%
19	Atlanta	-1.7%	-17.0%
20	Raleigh	6.4%	-17.6%
21	Seattle	-7.4%	-20.0%
22	Los Angeles/OC	-6.2%	-21.4%
23	Austin	-2.2%	-21.5%
24	Riverside/San Bernardino	-5.1%	-33.5%
25	San Francisco	-1.7%	-39.8%

Source: Zonda

National ZMR remained *average*

In order to add further context to sales, Zonda created the Zonda Market Ranking (ZMR). The ZMR accounts for both sales pace and volume, is seasonally adjusted, and is taken as a percentage relative to a baseline market average. Based on the percentage above or below baseline, markets are bucketed into performance groups ranging from *significantly underperforming* to *significantly overperforming* relative to historical activity.

The map below shows a snapshot of top production markets by region. Zonda also offers the ZMR for entry-level, move-up/move-down, and high-end markets. Subscribers of the National Outlook report can access all top markets and the tiered breakdown in Zonda's portal. Non-subscribers can access the tiered maps for the select 10 markets by clicking below.



Note: The ZMR measures new home sales adjusted for supply and seasonality and compared to history. The data is as of March.

Source: Zonda

- The National ZMR index came in at 107.2 in March, stepping up slightly but still indicating an *average* market. The National ZMR was also *average* last month, but was *slightly overperforming* for all of 2024.
- Zonda's snapshot markets were split between 10% *overperforming*, 40% *average*, and 50% *underperforming*, marking a slight shift down from last month. Among Zonda's top



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50 major markets, 40% were *overperforming*, 26% were *average*, and 34% were *underperforming*.

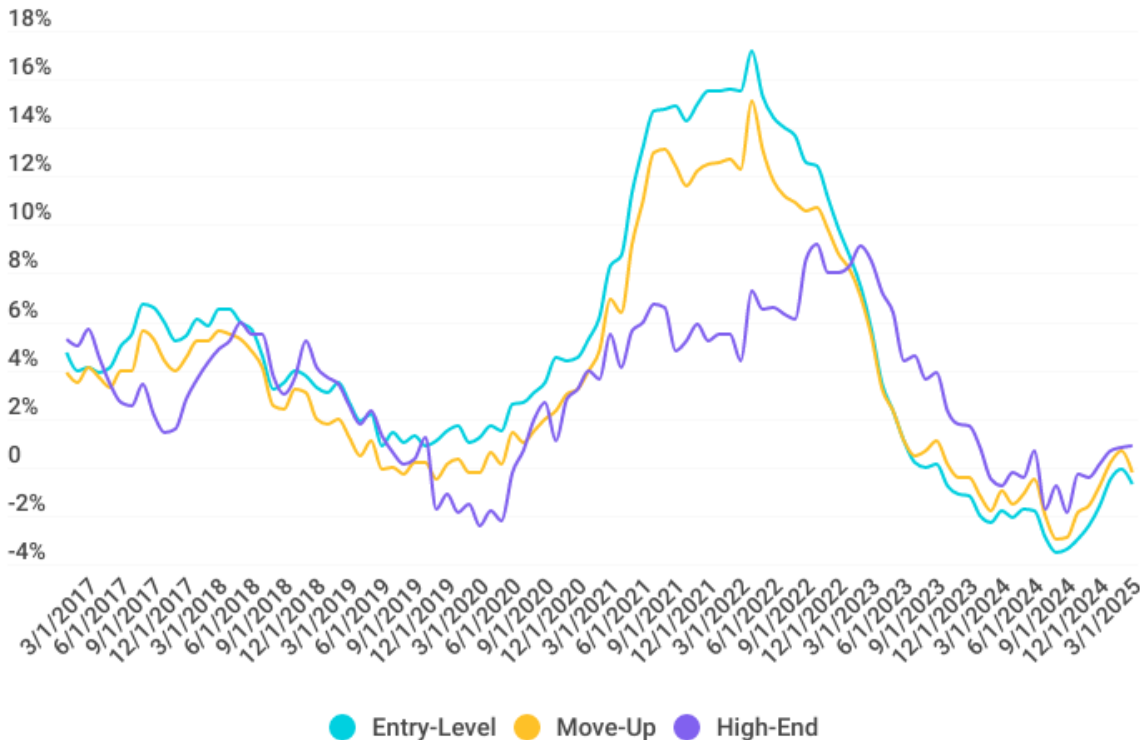
- Importantly, the ZMR does not account for what it takes to sell a home. For example, securing a sale might still feel difficult in a *significantly overperforming* market, but if incentives offered result in a sale, we count the sale.

Pricing nearly flat year-over-year

Home prices were largely flat across all price segments. Prices fell 0.7% for entry-level to \$329,130 and 0.2% for move-up to \$519,375, but rose 0.9% for high-end homes to \$909,894. Our pricing data makes no adjustments for home size or location.

Supplementing our data with a monthly survey Zonda conducts, 32% of builders lowered prices in March, 53% held prices flat, and 15% raised prices. In February, for comparison, 21% of builders lowered prices MOM, 61% held prices flat, and 18% increased prices.

National Home Value Appreciation by Price Tier (YOY Change)



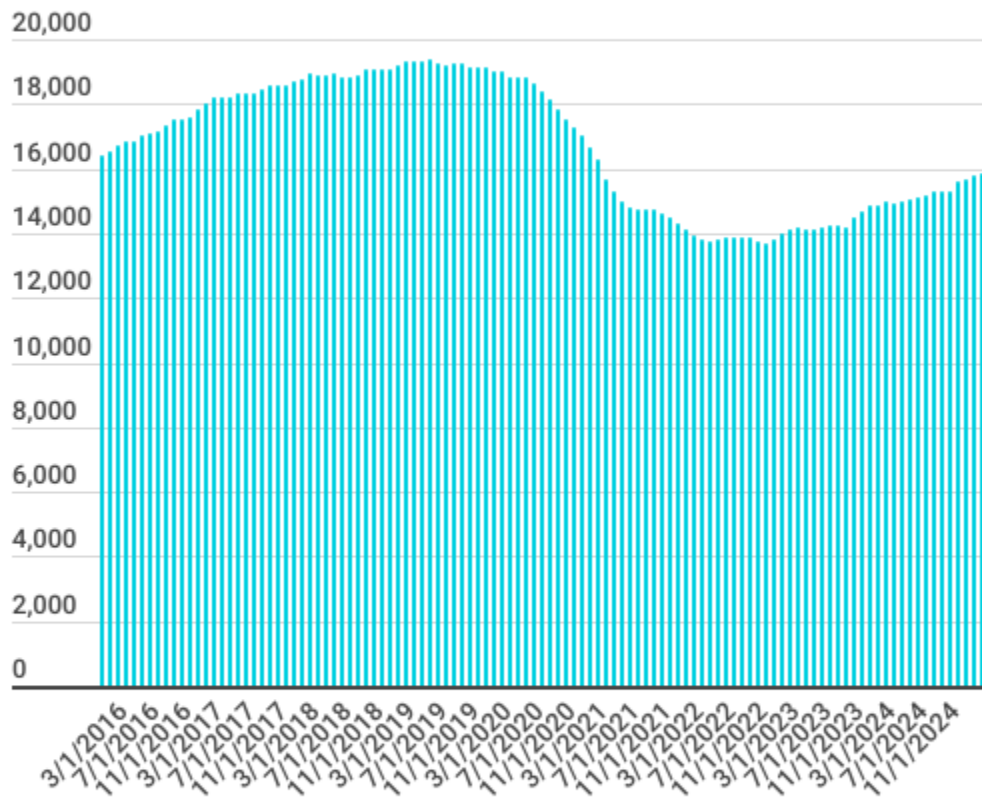
Source: Zonda

Incentives are still common in today's housing market to help address the affordability constraints for buyers. In March, 56% of new home communities offered incentives on to-be-built homes and 74% on quick move-in supply.

Community counts continue to trend upward

There are currently 15,867 actively selling communities tracked by Zonda, up 5.7% from last year. On a month-over-month basis, the national figure grew 0.5%. Total community count is 17.8% below the same month in 2019.

National New Home Community Count



Source: Zonda

- Orlando (+16.1%), Charlotte (+11.4%), and Raleigh (+11.2%) grew community count the most year-over-year.
- Relative to last year, the biggest community count declines were in Los Angeles/OC (-15.6%), Washington, DC (-14.6%), and Riverside/San Bernardino (-13.4%).



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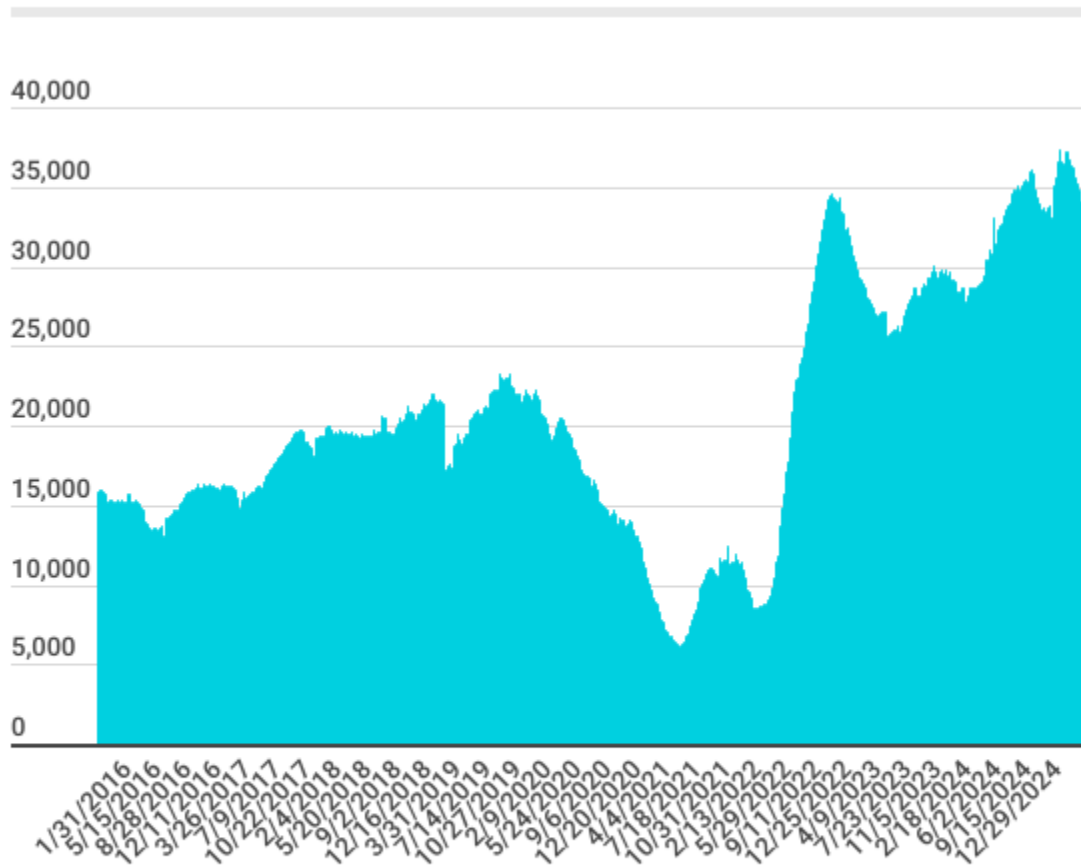
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National quick move-ins (QMIs) totaled 34,079, up 20.6% compared to last year but 6.1% lower month-over-month. Total QMIs are 79.7% above 2019 levels. QMIs are homes that can likely be occupied within 90 days.

For many consumers, QMIs provide a great option given the lack of resale supply. As a result, some builders have pivoted to a more spec-heavy strategy to help capture today's buyers. In some markets, however, resale inventory is rising and QMIs have become less desirable than earlier this year.

Weekly Quick Move-In Count



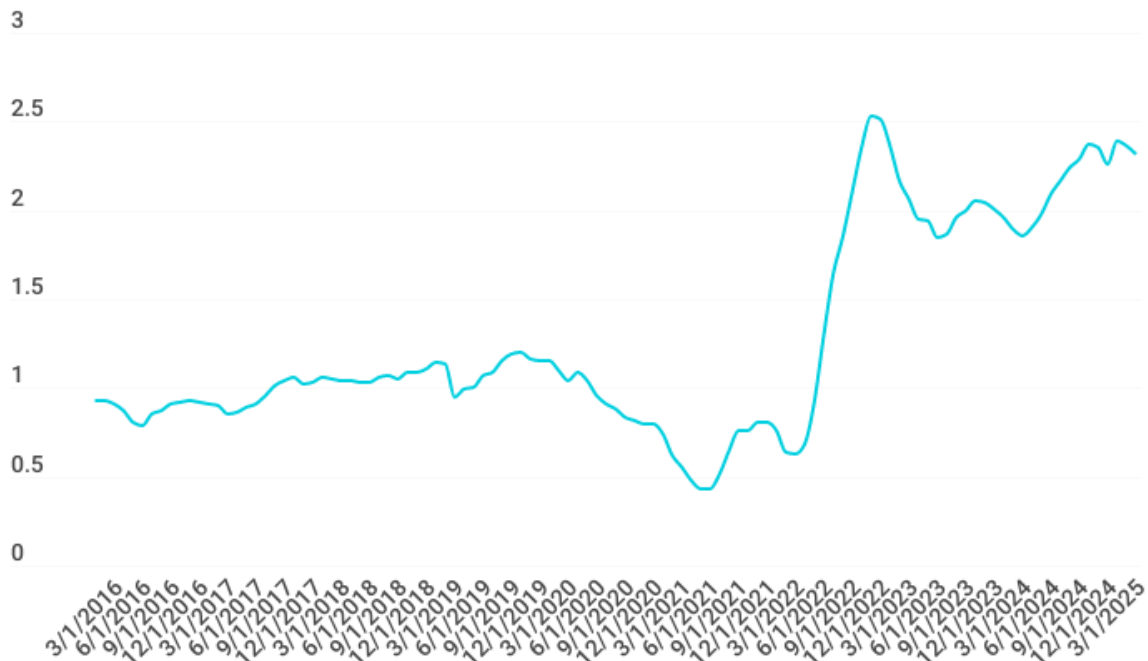
Source: Zonda

- On a metro basis, 84% of Zonda's select markets increased QMI count year-over-year.
- The markets that grew the most year-over-year were Seattle (+122.5%), Raleigh (+85.9%), and Charlotte (+76.7%).
- Jacksonville, Sacramento, and Phoenix have seen the most growth in QMIs compared to the same time in 2019, up 273.2%, 262.9%, and 199.9%, respectively.

NEW STARTING LAST MONTH: We now include QMIs per community in this report. QMIs per community is a good way to track how new home supply looks in the context of actively selling projects. Currently, there are 2.3 QMIs per community nationally, up 25% from the 1.9 this time last year but down 8.0% from the 2022 peak of 2.5.

Please note, the QMI per community data aligns with this report covering March trends. Our quick move-in data is weekly, and we release the latest available at the time of publishing this report. As such, recreating the visual below with the data above will yield slightly different results.

QMIs Per Community



Source: Zonda



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Methodology

The Zonda New Home Pending Sales Index (PSI) is built on proprietary, industry-leading data that covers 85% of the production new home market across the United States. Reported number of new home pending contracts are gathered and analyzed each month. Released on the 15th business day of each month, the New Home PSI is a leading indicator of housing demand compared to closings because it is based on the number of signed contracts at a new home community. Zonda monitors 15,000 active communities in the country and the homes tracked can be in any stage of construction.

The new home market represents roughly 10% of all transactions, allowing little movements in supply to cause outsized swings in market activity. As a result, the New Home PSI blends the cumulative sales of activity recently sold-out projects with the average sales rate per community, which adjusts for fluctuations in supply. Furthermore, the New Home PSI is seasonally adjusted based on each markets' specific seasonality, removes outliers, and uses June 2016 as the base month. The foundation of the index is a monthly survey conducted by Zonda. It is necessary to monitor both new and existing home sales to establish an accurate picture of the relative health of the residential real estate market.

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About Zonda

Zonda provides data-driven housing market solutions to the homebuilding industry. From builders to building product manufacturers, mortgage clients, and multifamily executives, we work hand-in-hand with our customers to streamline access to housing data to empower smarter decisions. As a leading brand in residential construction, our mission is to advance the home building industry, because we believe better homes mean better lives and stronger communities. Together, we are building the future of housing.

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