



FOR IMMEDIATE RELEASE
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APRIL'S HOUSING DATA CAPTURES THE BUILDER ADVANTAGE IN TODAY'S MARKET

The New Home Market Was "Slightly Overperforming" in April

NEWPORT BEACH, Calif., May 21, 2024 — Today, the experts at [Zonda](#), the housing industry's foremost advisors, released the New Home Market Update report for April 2024.

Many home shoppers have accepted the reality of today - mortgage rates aren't heading back to 3% any time soon. As such, financially secure consumers who are looking to move are still active in the housing market. This cohort contributed to the 61% of builders surveyed by Zonda that felt demand was either on track with or stronger than they expected.

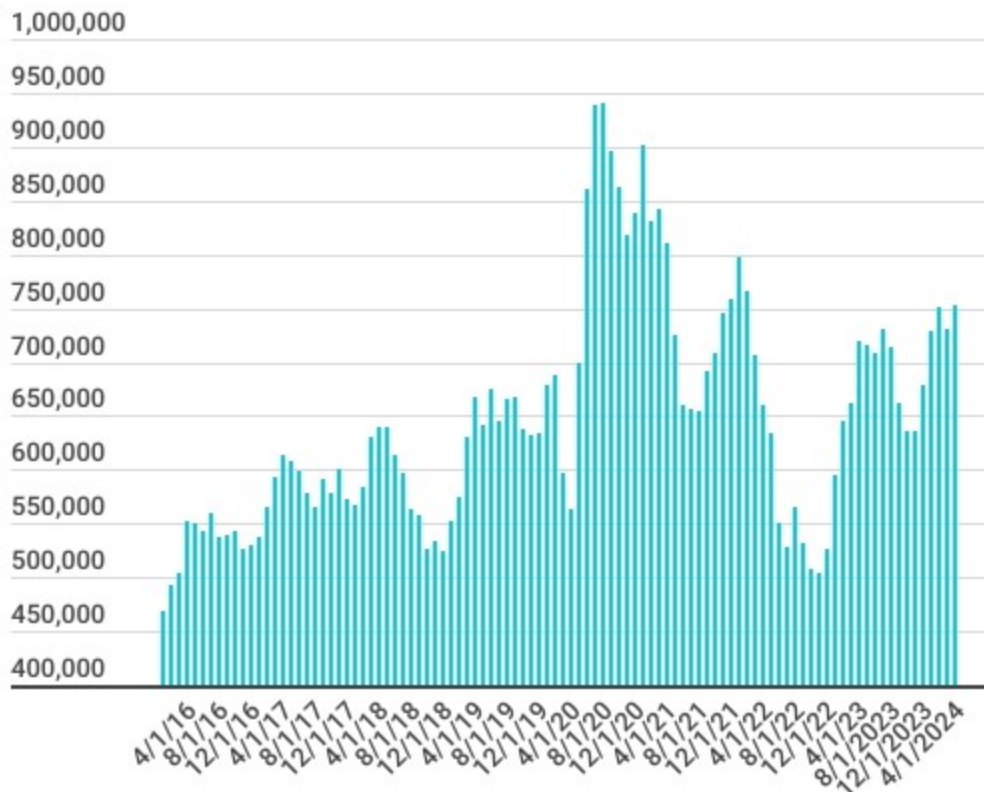
There are, however, 39% of builders that reported demand was slower than expected. This disparity reflects the struggles some consumers face with affordability. Qualifying for a mortgage and managing monthly payments have become hurdles for a portion of the market, impacting demand for housing. Our data captures these mixed results with the April Zonda Pending Sales Index coming in essentially flat month-over-month.

"Many house hunters have found the builder advantage undeniable," said Ali Wolf, chief economist for Zonda. "Buyers get the benefit of a brand-new home with lower maintenance needs, improved energy efficiency, and in many cases, either financial or design incentives. The incentives, in particular, can make new homes even more attractive to budget-conscious buyers trying to purchase today."

Strong spring selling season for new home builders

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 753,258 new homes sold in April on a seasonally adjusted annualized rate. This was a gain of 3.1% from last month and an increase of 4.8% from a year ago. On a non-seasonally adjusted basis, 67,621 homes were sold, 6.7% higher than last year and 38.8% above the same month in 2019.

New Home Sales (SAAR)



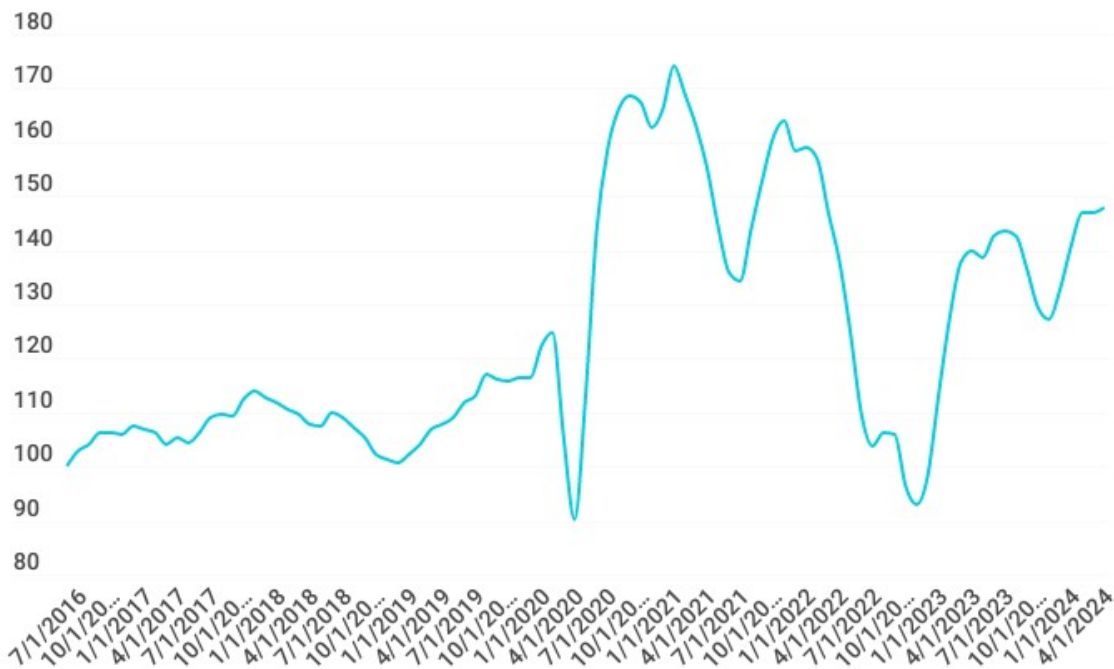
Source: Zonda

The New Home PSI leveled out month-over-month

Total sales volume is influenced by both supply and demand. 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 April PSI came in at

147.8, up 5.7% year-over-year. On a month-over-month basis, seasonally adjusted new home sales increased 0.5%. The index is currently 15.1% below cycle highs.

New Home Pending Sales Index



Source: Zonda; Data is seasonally adjusted and as of April 2024

- The markets that posted the best numbers relative to last year were Philadelphia (+33.1%), Denver (+22.8%), and Atlanta (+19.1%).
- Sales were down year-over-year in eight of our select markets, led by Orlando, Jacksonville, and Dallas.
- On a monthly basis, Salt Lake City, Denver, and Seattle were the best-performing markets. Salt Lake City increased 15.1% relative to last month.

New Home Pending Sales Index for Select Markets

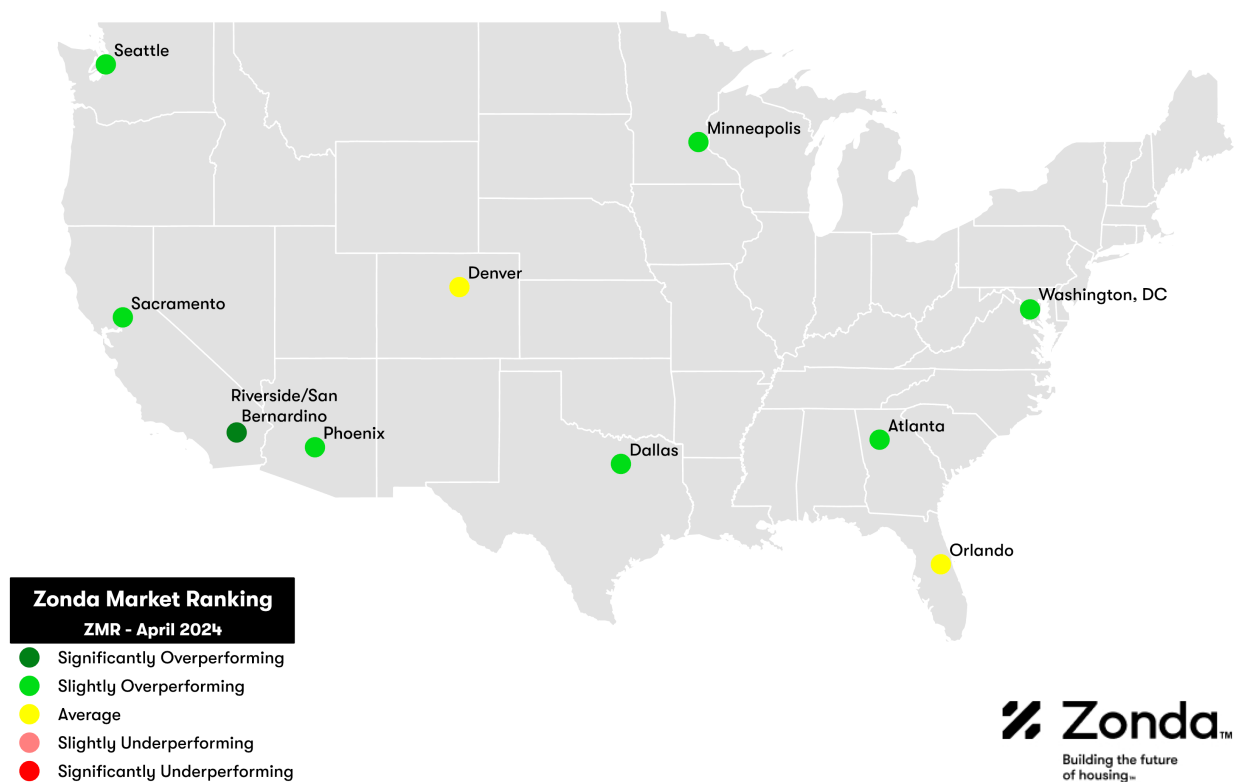
Rank	METRO	SA MOM	SA YOY
1	Philadelphia	0.8%	33.1%
2	Denver	12.3%	22.8%
3	Atlanta	6.1%	19.1%
4	Las Vegas	0.7%	18.9%
5	Phoenix	-1.8%	14.6%
6	Seattle	12.1%	14.4%
7	Austin	10.6%	13.1%
8	Houston	6.8%	12.5%
9	San Francisco	-8.1%	12.3%
10	Raleigh	-10.1%	11.3%
11	Sacramento	-4.6%	10.8%
12	Baltimore	-0.2%	10.5%
13	Riverside/San Bernardino	-0.9%	8.2%
14	Minneapolis	1.9%	5.9%
15	Cincinnati	0.0%	3.1%
16	Washington, DC	0.4%	1.8%
17	Tampa	-4.6%	0.0%
18	San Antonio	-1.1%	-0.1%
19	New York	-10.3%	-0.6%
20	Salt Lake City	15.1%	-3.4%
21	Los Angeles/OC	-1.5%	-4.1%
22	Charlotte	-2.0%	-4.7%
23	Dallas	1.4%	-11.8%
24	Jacksonville	2.5%	-15.1%
25	Orlando	-6.0%	-19.4%

Source: Zonda; Data is seasonally adjusted and as of April 2024

The national ZMR was *slightly overperforming* in April

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. Subscribers of the National Outlook report can access the full list in Zonda's portal.



- The National ZMR index came in at 118.1 in April, indicating a *slightly overperforming* market, ranking in-line with last month and better than last year.
- Zonda's snapshot markets were split between 80% *overperforming* and 20% *average* in April. Among Zonda's top 50 major markets, 76% were *overperforming*, 14% were *average*, and 10% 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.

Mixed pricing picture

Prices fell 2.2% for entry-level to \$331,278 and 1.2% for move-up to \$520,793 but rose 0.2% for high-end homes to \$911,491. The declines in the entry-level and move-up markets represent smaller home sizes, differing locations, and select price drops.

Supplementing our data with a monthly survey Zonda conducts, 54% of builders reported raising prices in April, up from 51% in March. Further, 39% reported holding prices flat, down from 44% last month.

National Home Value Appreciation by Price Tier (YOY Change)



Source: Zonda



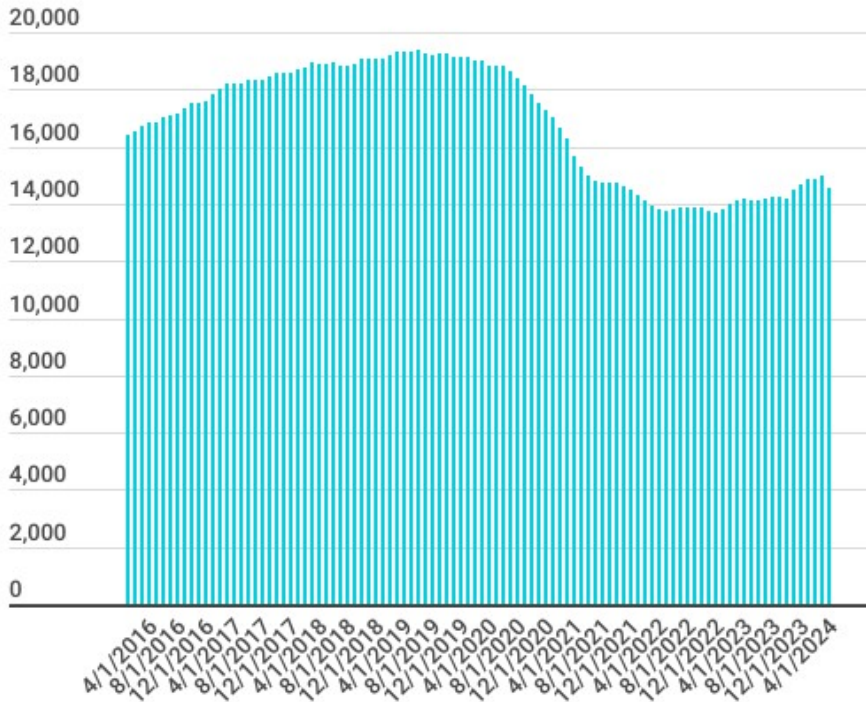
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Incentives are still common in today's housing market to help address the affordability constraints for buyers. 58% of new home communities across the country offered incentives in April, flat month-over-month. Incentives have been a critical sales tool in today's market.

Community count levels are down 25% YOY

There are currently 14,544 actively selling communities tracked by Zonda, up 2.7% from last year. On a month-over-month basis, the national figure slipped 3.1%. Total community count is 24.8% below the same month in 2019. The lack of competition from other new home communities has allowed for some upward pressure on the average sales rate per month per community. Zonda defines a community as anywhere where five or more units are for sale.

National New Home Community Count



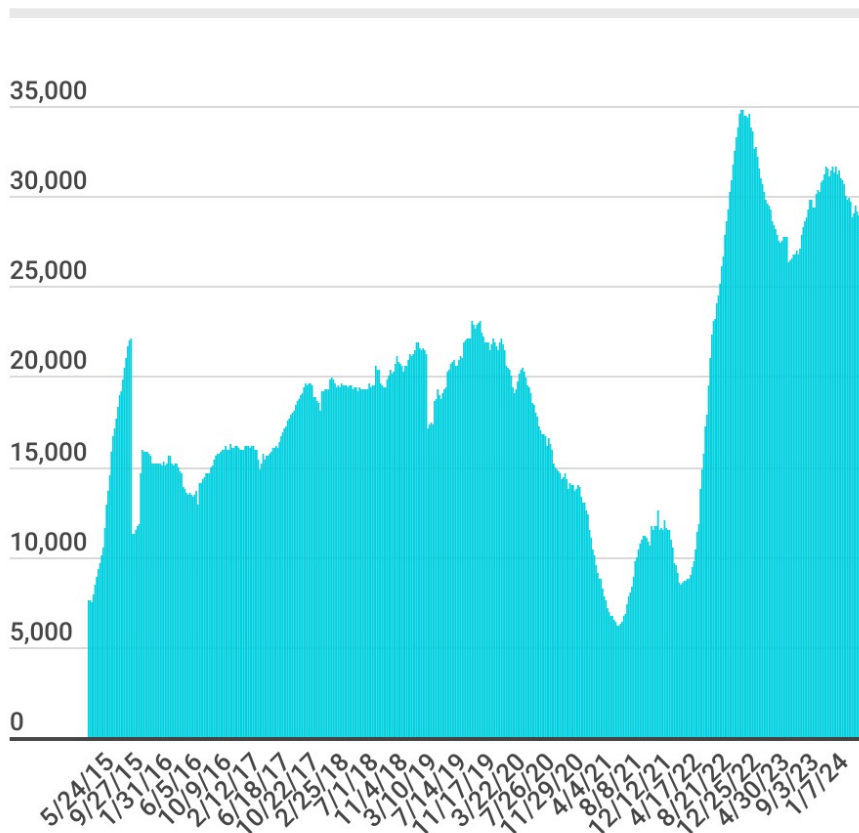
Source: Zonda

- Dallas (+13.9%), Austin (+12.9%), and Salt Lake City (+9.4%) grew community count the most year-over-year. Relative to 2019, community count was down 11.6%, 11.5%, and 21.8%, respectively.
- Relative to last year, the biggest community count declines were in San Francisco (-21.3%), Philadelphia (-17.1%), and Seattle (-14.5%).
- Community count in 8% of our select markets rose month-over-month, 0% were flat, and 92% fell.

National quick move-ins (QMIs) totaled 27,952, up 1.5% compared to last year but 2.8% lower month-over-month. Total QMIs are 46.3% 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.

Weekly Quick Move-In Count



Source: Zonda



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- On a metro basis, 56% of Zonda's select markets increased QMI count year-over-year. The markets that grew the most year-over-year were Riverside/San Bernardino (+67.5%), Cincinnati (+34.4%), and Salt Lake City (+30.9%).
- Jacksonville, Sacramento, and Las Vegas have seen the most growth in QMIs compared to the same time in 2019, up 268.7%, 218.7%, and 182.7%, respectively.
- QMIs are down the most compared to 2019 in San Francisco (-63.7%), New York (-55.2%), and Seattle (-55.2%), three markets where geographic boundaries limit growth.

Methodology

The Zonda New Home Pending Sales Index (PSI) is built on proprietary, industry-leading data that covers 60% 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 18,000 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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