



FOR IMMEDIATE RELEASE  
Friday, November 22, 2024  
Media Contact: Diane Begin  
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## **New home sales were stable in October despite higher interest rates**

*Needs-based buyers are keeping the housing market going*

**NEWPORT BEACH, CALIF., November 22, 2024** — Today, the experts at [Zonda](#), the housing industry's foremost advisors, released the New Home Market Update report for October 2024.

Recent months have presented a mixed bag for the housing market. The presidential election was decisive with a clear winner by the end of the night. In addition, the Federal Reserve cut short-term interest rates for the second time this year. Both were important milestones for sidelined consumers who had paused their home search earlier this year given the uncertainty.

The challenge has been that mortgage rates reversed their course. In September, mortgage rates hit the lowest level since late-2022 as investors reacted to and planned for rates cuts and slower economic growth. By early October, mortgage rates were already trending up in anticipation of increased government spending, stronger economic growth projections, and the prospect of a pickup in inflation. The resulting impact has been significant volatility in the mortgage market, including rates surging back into the low-7%s.

"Home sales in October captured the push and pull of the market," said Ali Wolf, chief economist for Zonda. "Overall sales did slip modestly month-over-month but remained nearly 11% above levels last year, a time when mortgage interest rates averaged 7.6%. The relatively stable sales environment today underscores the role of need-based buyers who are driving demand, almost regardless of macro conditions."

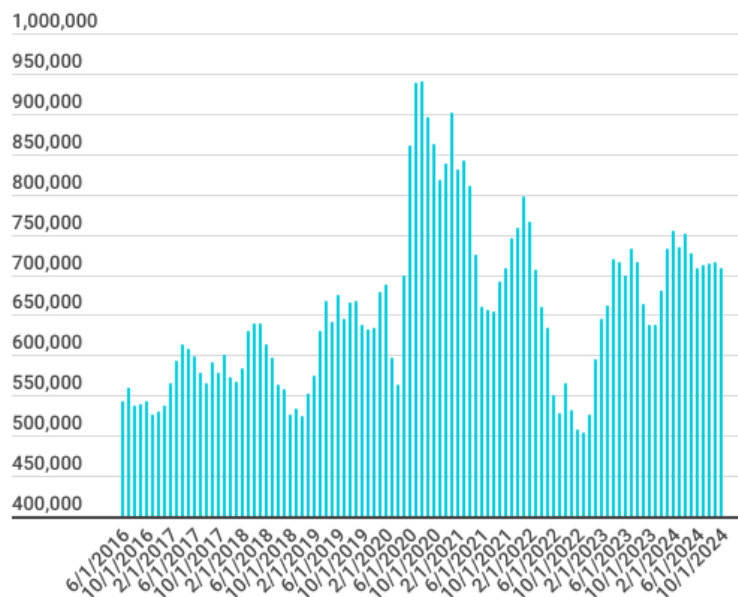
### **Consumers remained cautious in October**

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 707,457 new homes sold in October on a seasonally adjusted annualized rate. This was a decline of 1.1% from last month but an increase of 10.7% from a year ago. On a non-seasonally adjusted basis 55,992 homes were sold, 11.9% higher than last year and 7.2% above the same month in 2019.



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## New Home Sales (SAAR)



Source: Zonda



### The PSI dropped slightly MOM

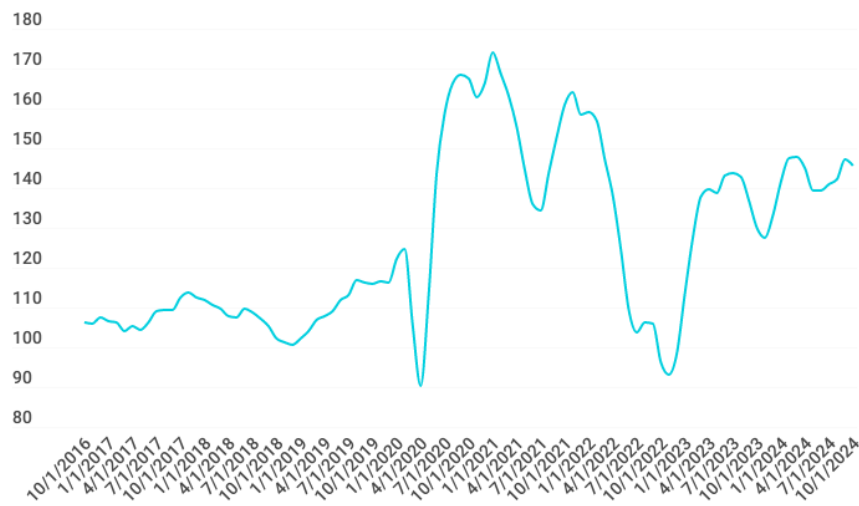
Total sales volume is influenced by both supply and demand. Zonda's New Home Pending Sales Index (PSI) was created to help account for fluctuations in supply by combining both total sales volume with the average sales rate per month per community. The October PSI came in



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at 145.6, representing a 12.0% rise from the same month last year. The index is currently 16.4% below cycle highs. On a month-over-month basis, seasonally adjusted new home sales decreased 1.1%.

### New Home Pending Sales Index



Source: Zonda



- The markets that posted the best numbers relative to last year were Denver (+25.2%), San Antonio (+24.7%), and Seattle (+23.8%). Importantly, the baseline effect of low sales this time last year contributed to a large YOY jump.
- Inversely, the metros that performed the worst year-over-year were San Francisco (-46.2%), Atlanta (-14.8%), and Tampa (-14.6%).
- On a month-over-month basis, Denver, Philadelphia, and Minneapolis saw the largest gains.



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## New Home Pending Sales Index for Select Markets

Rank	METRO	SA MOM	SA YOY
1	Denver	17.2%	25.2%
2	San Antonio	-7.9%	24.7%
3	Seattle	-4.7%	23.8%
4	Houston	0.5%	23.7%
5	Phoenix	-4.2%	22.6%
6	Cincinnati	-2.9%	19.2%
7	Raleigh	1.7%	15.8%
8	Washington, DC	1.3%	15.6%
9	Los Angeles/OC	3.5%	14.1%
10	Las Vegas	1.6%	13.3%
11	Charlotte	-8.8%	11.2%
12	Sacramento	-5.5%	9.7%
13	Salt Lake City	-5.0%	9.6%
14	Baltimore	2.1%	9.2%
15	New York	-9.3%	8.8%
16	Dallas	1.4%	6.9%
17	Philadelphia	6.0%	6.7%
18	Minneapolis	5.2%	5.6%
19	Austin	-0.8%	4.0%
20	Riverside/San Bernardino	-3.4%	-4.9%
21	Jacksonville	1.2%	-5.1%
22	Orlando	-0.8%	-7.3%
23	Tampa	-6.1%	-14.6%
24	Atlanta	0.6%	-14.8%
25	San Francisco	-2.8%	-46.2%

Source: Zonda

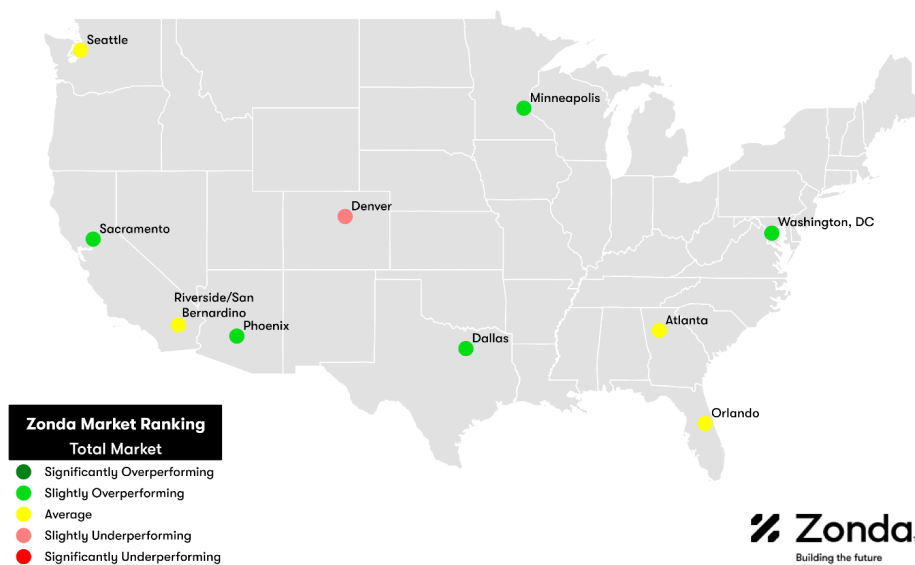


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### The ZMR was slightly overperforming for the 10<sup>th</sup> consecutive month

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 October.

Source: Zonda

- The National ZMR index came in at 119.5 in October, indicating a *slightly overperforming* market, ranking in line with last month but better than last year (*average*).



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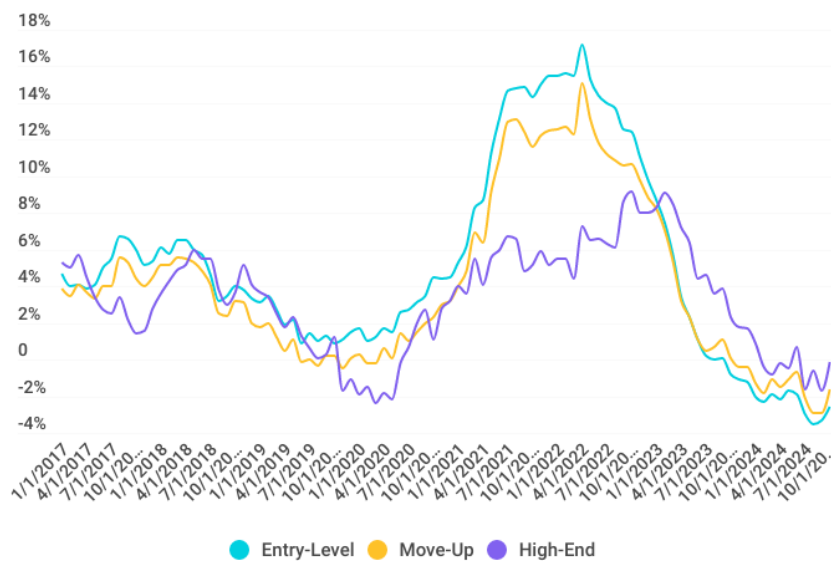
- Zonda's snapshot markets were split between 50% *overperforming*, 40% *average*, and 10% *underperforming* in October. Among Zonda's top 50 major markets, 60% were *overperforming*, 24% were *average*, and 16% were *underperforming*.
- Importantly, the ZMR does not account for what it takes to sell 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.

**Prices were down YOY for entry-level and move-up homes.**

National home prices decreased year-over-year for entry-level and move-up homes. Prices were largely flat in the high-end market. Prices fell 2.6% for entry-level to \$329,351, 1.6% for move-up to \$519,064, and 0.1% for high-end homes to \$915,328. The declines represent a mix of select price drops, smaller home sizes, and differing locations.

Supplementing our data with a monthly survey Zonda conducts, 18% of builders lowered prices in October, 69% held prices flat, and 13% raised prices. In September, for comparison, 16% of builders lowered prices MOM, 63% held prices flat, and 21% 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. 58% of new home communities across the country offered incentives in October, the same percentage as last month.

### 8% growth in community count YOY

There are currently 15,344 actively selling communities tracked by Zonda, up 8.3% from last year. On a month-over-month basis, the national figure grew 0.4%. Total community count is 20.3% below the same month in 2019. Zonda defines a community as anywhere where five or more units are for sale.

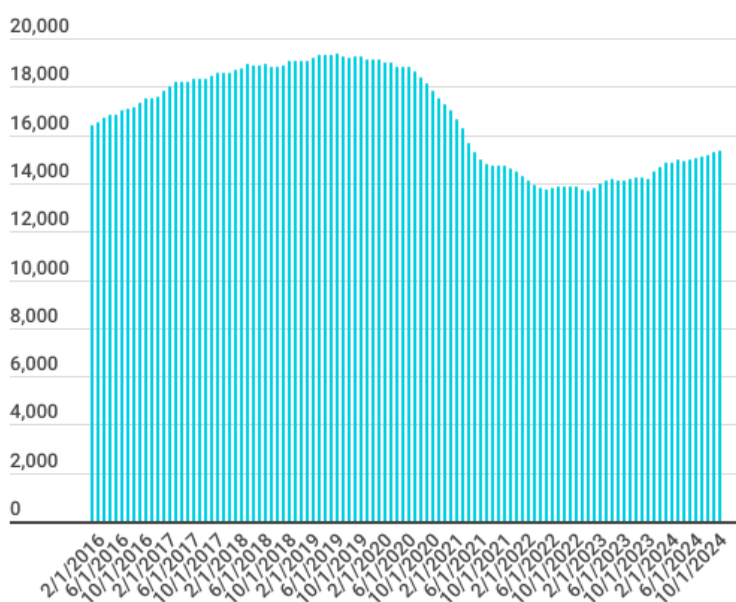
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## National New Home Community Count



Source: Zonda

- Baltimore (+18.6%), Dallas (+16.0%), and Tampa (+10.8%) grew community count the most year-over-year.
- Relative to last year, the biggest community count declines were in San Francisco (-23.8%), Los Angeles/OC (-20.1%), and New York (-14.4%).





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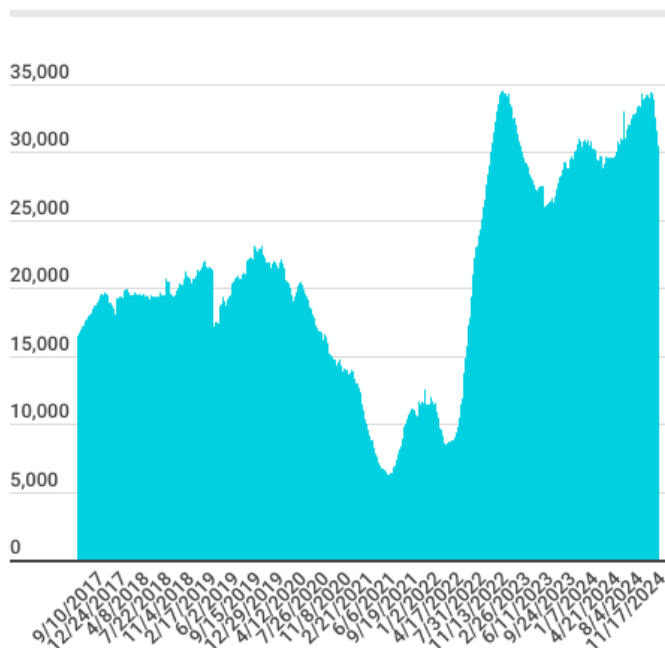
National quick move-ins (QMIs) totaled 30,487, up 1.9% compared to last year but 11.5% lower month-over-month. Total QMIs are 39.0% above 2019 levels. QMIs are homes that can likely be occupied within 90 days.

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.



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## Weekly Quick Move-In Count



Source: Zonda



- On a metro basis, 52% of Zonda's select markets increased QMI count year-over-year.
- The markets that grew the most year-over-year were Charlotte (+43.3%), Orlando (+31.4%), and Cincinnati (+22.2%).
- Salt Lake City, Cincinnati, and Las Vegas have seen the most growth in QMIs compared to the same time in 2019, up 187.8%, 178.1%, and 148.2%, respectively.



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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.

Visit [ZondaHome.com](https://ZondaHome.com) or follow us on [LinkedIn](#) and [Facebook](#) for more information.

### 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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