



## Weather, Inventory Push Home Sales Lower, Prices Higher

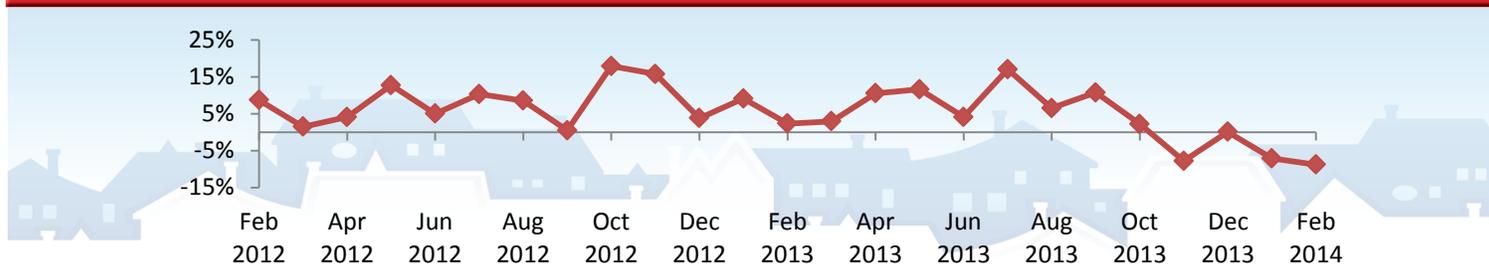
February home sales slowed in February, while prices increased by double digits over last year. The RE/MAX National Housing Report, a survey of MLS data in 52 metropolitan areas, found the February results to be nearly identical to January. Just like January, the median home price rose 11.6% compared to the same month in 2013, and is now at \$180,450. Home sales dropped by 8.8%, compared to January's year-to-year loss of 7.1%. Unusually harsh winter storms impacted appraisals, inspections and closings. Even though inventory losses have been shrinking, low inventories in many metro areas had a negative impact on sales. Even at the rate of February sales, the corresponding Months Supply of inventory of 5.1 isn't significantly below the 6.0 level of a market balanced between buyers and sellers. When measured on a year-to-year basis, February became the 11<sup>th</sup> consecutive month with fewer inventory losses than the previous month.

*"A combination of severe weather and low inventories appears to have slowed February home sales. The improving economy, increasing new-home construction and significant pent-up demand should all be critical factors as we move into the traditionally stronger sales months of spring and summer. Sales during these months will determine the overall picture for 2014."*

**Margaret Kelly, RE/MAX CEO**



## TRANSACTIONS YEAR-OVER-YEAR CHANGE



In the 52 metro areas surveyed for the February report, home sales were down an average of 8.8% from February last year and remained roughly equivalent to January sales with just a 0.8% drop. February becomes only the third month in the last 32 months to experience a year-to-year sales decline. Although

winter months normally record the lowest home sales of the year, unusually harsh weather disrupted numerous home sales in February. Of all 52 metro areas surveyed, 42 saw year-to-year sales decrease. Due to low inventories, many metros that saw the highest price increases also saw the largest drop in sales from last year.

### HIGHEST SALES DECREASES

- Las Vegas, NV -22.0%
- Detroit, MI -18.3%
- Orlando, FL -15.9%
- San Diego, CA -15.0%
- San Francisco, CA -14.3%

## MEDIAN SALES PRICE

### TOP CITIES REPORTING DOUBLE DIGIT INCREASES

Detroit, MI +35.8%  
San Francisco, CA +25.0%  
Las Vegas, NV +24.1%  
Atlanta, GA +20.3%  
Los Angeles, CA +19.3%  
Orlando, FL +17.4%

The February RE/MAX National Housing Report found a Median Sales Price of \$180,450, which was 4.3% higher than the Median Sales Price in January and 11.6% higher than the price seen in February last year. On a year-to-year basis, the Median Sales Price has now increased for 25 consecutive months. Low inventory has placed significant pressure on home prices throughout this period. Among the 52 metro areas surveyed, 44 reported higher sales prices than one year ago. Of those, 18 reported double-digit increases.

## YEAR-OVER-YEAR



Feb. 2014 \$180,450

Feb. 2013 \$161,720



## DAYS ON MARKET

For all homes sold in February, the average Days on Market was 80, which was 5 days more than the average in January, but 9 days less than the average in February 2013. February marks the 21st consecutive month with an average Days on Market below 90. The low Days on Market average is associated with continued high demand and a reduced inventory of homes for sale. Days on Market is the number of days between when a home is first listed in an MLS and when a sales contract is signed.

## MONTHS SUPPLY OF INVENTORY

### VERY LOW MONTHS SUPPLY

Denver, CO 0.8  
San Francisco, CA 1.3  
Los Angeles, CA 2.5  
San Diego, CA 2.5  
Houston, TX 2.6  
Boston, MA 2.7  
Washington, DC 2.7

The national real estate market continues to be characterized by a low supply of homes for sale. However, year-to-year inventory losses continue to shrink. The inventory of homes for sale in February was just 2.4% less than January and 9.8% less than last February, when the year-to-year inventory loss was 29.2%. At the current rate of sales, there is a 5.1 Months Supply of inventory. *A supply of 6.0 is considered balanced.*

## YEAR-OVER-YEAR

### Homes for Sale Inventory



For specific data in this report or to request an interview, please contact **Shaun White at (303) 796-3405 or [shaunwhite@remax.com](mailto:shaunwhite@remax.com).**

## About The RE/MAX Network

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The RE/MAX National Housing Report is distributed each month on or about the 15th. The first Report was distributed in August 2008. The Report is based on MLS data in approximately 52 metropolitan areas, includes all residential property types, and is not annualized.

For maximum representation, many of the largest metro areas in the country are represented, and an attempt is made to include at least one metro from each state. Metro area definitions include the specific counties established by the U.S. Government's Office of Management and Budget, with some exceptions.

Transactions are the total number of closed residential transactions during the given month. Month's Supply of Inventory is the total number of residential properties listed for sale at the end of the month (current inventory) divided by the number of sales contracts signed (pending) during the month. Where "pending" data is unavailable, this calculation is made using closed transactions. Days on Market is the number of days that pass from the time a property is listed until the property goes under contract for all residential properties sold during the month. Median Sales Price is the median price of all residential properties sold during the month.

MLS data is provided by contracted data aggregators, RE/MAX brokerages and regional offices. While MLS data is believed to be accurate, it cannot be guaranteed. MLS data is constantly being updated, making any analysis a snapshot at a particular time. Every month the RE/MAX National Housing Report re-calculates the previous period's data to ensure accuracy over time. All raw data remains the intellectual property of each local MLS organization.

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