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Home Prices at New High in February Amid Record Low Inventory

RE/MAX National Housing Report on MLS Data from 53 Metro Areas

DENVER – February home prices reached a new high as steady demand combined with record low inventory drove prices up, according to this month’s RE/MAX National Housing Report that surveys 53 metro areas.

Last month saw a negligible decline (-0.02%) in home sales from February 2016, which posted the most sales in the nine-year history of the report. Less than half of the markets experienced an increase in sales year-over-year.

Meanwhile, active inventory reached a record low for February, dropping 17.9% year-over-year. This marks the 100th consecutive month of year-over-year declines dating back to October 2008.

As a result, the Median Sales Price of \$212,000 – another February record – was up 6% year-over-year. This is the 11th consecutive month of year-over-year price increases.

Homes sold faster last month, with average Days on Market dropping from 75 in February 2016 to 68 last month. For this month’s housing report infographic, visit <http://rem.ax/2cYFT50>.

“Inventory, not the rise in interest rates, remains the principal constraint on home sales,” said [Dave Liniger](#), RE/MAX CEO, Chairman of the Board and Co-Founder. “The resale market is driven dramatically by the availability of new homes. Most U.S. markets have a high demand for new home construction, and although it’s good to see housing starts trending upward, we still need more.”

Closed Transactions

Of the 53 metro areas surveyed in February 2017, the overall average number of home sales decreased 0.02% compared to February 2016. Of the 53 metro areas, 23 experienced an increase in sales year-over-year, with nine experiencing double-digit increases. The markets with the largest increase in sales included Trenton, NJ +26.2%, Nashville, TN +19.4%, Las Vegas, NV +18.2%, Wichita, KS +14.6% and Birmingham, AL +13.3%.

Median Sales Price – Median of 53 metro median prices

In February 2017, the median of all 53 metro Median Sales Prices was \$212,000, up 1.4% from January 2017 and up 6.0% from February 2016. Only six metro areas saw year-over-year decreases or remained unchanged, with 16 rising by double-digit percentages. The largest double-digit increases

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were seen in Fargo, ND +19.9%, Burlington, VT +18.4%, Tampa, FL +15.9%, Indianapolis +14.3% and Dallas/Ft. Worth, TX +13.9%.

Days on Market – Average of 53 metro areas

The average Days on Market for homes sold in February 2017 was 68, up two days from the average in January 2017, but down seven days from the February 2016 average. The three metro areas with the lowest Days on Market were San Francisco, CA at 32, Omaha, NE at 34 and Denver, CO at 38. The highest Days on Market averages were in Augusta, ME at 147 and Chicago, IL at 109. Days on Market is the number of days between when a home is first listed in an MLS and a sales contract is signed.

Months Supply of Inventory – Average of 53 metro areas

The number of homes for sale in February 2017 was down 2.2% from January 2017, and down 17.9% from February 2016. Based on the rate of home sales in February, the Months Supply of Inventory was 3.6, compared to January 2017 at 3.8 and February 2016 at 4.0. A 6.0-month supply indicates a market balanced equally between buyers and sellers. In February 2017, 45 of the 53 metro areas surveyed reported a months supply of less than 6.0, which is typically considered a seller's market. The remaining eight saw a months supply above 6.0, which is typically considered a buyer's market. The markets with the lowest Months Supply of Inventory continued to be in the west, with both Denver, CO and Seattle, WA at 1.0 and San Francisco, CA at 1.1.

Contact

For specific data in this report or to request an interview, please contact newsroom@remax.com.

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About the RE/MAX Network:

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Description

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 53 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.

Definitions

Transactions are the total number of closed residential transactions during the given month. Months 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 of the median sales prices in each of the metro areas included in the survey.

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.

