



NEWS RELEASE

ICE Mortgage Monitor: Home Prices Cool for Second Straight Month in April as Purchase Demand Softens, Inventory Deficits Improve

6/3/2024

- The number of homes for sale has been gradually improving on softer purchase demand in this spring's higher interest rate environment, as inventory hit its highest seasonally adjusted level since mid-2020
- Nearly 90% of U.S. metropolitan areas now have more homes for sale than at this same point last year, with inventory in 14 of the top 100 markets having returned to pre-pandemic, 2017-2019 levels
- The ICE Home Price Index (HPI) for April showed cooling annual growth for the second consecutive month, falling to +5.1% from a revised 5.7% in March and +6.1% in February
- Similarly, unadjusted monthly gains (+0.88%) in April dipped below the 25-year same-month average for the first time this year
- Adjusted for seasonality, home prices rose +0.28% in April (down from March's +0.45%), equivalent to a seasonally adjusted annualized rate (SAAR) of +3.4%
- Should adjusted gains hold at this pace, by June the backward-looking annual growth rate would fall below +4.25% and be less than +4% by July
- However, with both supply (-36%) and demand (-45%) still sitting well below pre-pandemic levels, meaningful 30-year interest rate movements could shift the market relatively quickly in either direction

ATLANTA & NEW YORK--(BUSINESS WIRE)-- Intercontinental Exchange, Inc. (NYSE:ICE), a leading global provider of technology and data, today released its June 2024 **ICE Mortgage Monitor Report**, based on the company's industry-leading mortgage, real estate and public records data sets.

The latest **ICE Home Price Index** data shows annual home price gains continued to cool in April, marking the second consecutive month of pullbacks. Gains of +6.1% year over year in February slowed to a revised +5.7% in



March before easing to +5.1% as of April. As ICE's Vice President of Enterprise Research Strategy Andy Walden explains, the cooling is apparent from both seasonally adjusted and unadjusted perspectives.

"With 30-year rates easing and affordability improving entering the year, unadjusted monthly price gains had been running above their same-month 25-year average since the start of 2024," said Walden. "However, softening price growth in April has dropped us below that long-run average. We've seen the rate of appreciation slow on an adjusted level as well, with April's +0.28% increase in home prices a marked downshift from +0.45% in March. That's equivalent to a +3.4% seasonally adjusted annual rate, suggesting annual growth will likely continue to slow in coming months."

As noted in the Mortgage Monitor report, if adjusted monthly gains were to continue at their current pace of +0.28% per month, the annual growth rate metric would fall below 4.25% in June, with home prices seeing year-over-year gains of less than 4% by July. However, as Walden pointed out, both supply and demand remain constrained in the housing market, and interest rate movements in either direction can impact prices.

"While we've made meaningful strides in terms of inventory improvement, there are still roughly 36% fewer listings than normal for this time of year. Likewise, in the face of higher rates as well as prices, purchase mortgage demand remains about 45% off comparable periods in 2018 and 2019. As we've seen in recent years, any substantial move in rates can result in those supply/demand dynamics shifting quickly, either bolstering or softening home prices."

The report details broad improvement in the number of homes for sale nationwide, with inventory up 30% year over year in April to its highest seasonally adjusted level since mid-2020. Nearly 90% of U.S. markets have stronger inventory levels than at this time last year, with inventory in 14 of the largest markets having returned to pre-pandemic levels. Of those, 13 are in Florida and Texas. Improvement has been more limited – with inventory deficits even worsening in some cases – in many northeastern and midwestern markets, putting continued upward pressure on home prices in these areas.

"Inventory seems to be the primary differentiator when it comes to the bifurcation we're seeing in housing market temperatures across the country," Walden added. "Generally speaking, the Northeast and Midwest still face deep deficits in available homes for sale, helping prices continue to run hot. On the other end of the spectrum, prices are softening in Florida and Texas as for-sale inventories rise in both states. Then you've got California, where affordability and inventory are in a steel cage match to determine dominance. In April, each of the state's top 10 markets either registered below-average growth or clocked adjusted price declines."

Of the seven major U.S. markets among the top 50 by population where inventory has returned to – or exceeded – pre-pandemic levels, five saw seasonally adjusted prices edge lower in April. Meanwhile, Houston, Jacksonville, Nashville, and Salt Lake City – all nearing pre-pandemic inventory levels – also saw adjusted prices ease in April.

Much more information on these and other topics can be found in **this month's Mortgage Monitor**.

About Mortgage Monitor

ICE manages the nation's leading repository of loan-level residential mortgage data and performance information covering the majority of the overall market, including tens of millions of loans across the spectrum of credit products and more than 160 million historical records. The combined insight of the ICE Home Price Index and ICE Valuation Analytics' home price and real estate data provides one of the most complete, accurate and timely measures of home prices available, covering 95% of U.S. residential properties down to the ZIP-code level. In addition, the company maintains one of the most robust public property records databases available, covering 99.9% of the U.S. population and households from more than 3,100 counties.

ICE's research experts carefully analyze this data to produce a summary supplemented by dozens of charts and graphs that reflect trend and point-in-time observations for the monthly Mortgage Monitor Report. To review the full report, visit: <https://www.icemortgagetechnology.com/resources/data-reports>

About Intercontinental Exchange

Intercontinental Exchange, Inc. (NYSE: ICE) is a Fortune 500 company that designs, builds, and operates digital networks that connect people to opportunity. We provide financial technology and data services across major asset classes helping our customers access mission-critical workflow tools that increase transparency and efficiency. ICE's futures, equity, and options **exchanges** -- including the **New York Stock Exchange** -- and **clearing houses** help people invest, raise capital and manage risk. We offer some of the world's largest markets to trade and clear energy and environmental products. Our fixed income, **data services** and execution capabilities provide information, analytics and platforms that help our customers streamline processes and capitalize on opportunities. At **ICE Mortgage Technology**, we are transforming U.S. housing finance, from initial consumer engagement through loan production, closing, registration and the long-term servicing relationship. Together, ICE transforms, streamlines, and automates industries to connect our customers to opportunity.

Trademarks of ICE and/or its affiliates include Intercontinental Exchange, ICE, ICE block design, NYSE and New York Stock Exchange. Information regarding additional trademarks and intellectual property rights of Intercontinental Exchange, Inc. and/or its affiliates is located **here**. Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading "Key Information Documents (KIDS)."

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 -- Statements in this press release

regarding ICE's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see ICE's Securities and Exchange Commission (SEC) filings, including, but not limited to, the risk factors in ICE's Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 8, 2024.

Source: Intercontinental Exchange

Category: Mortgage Technology

ICE-CORP

ICE Media Contact

Mitch Cohen

mitch.cohen@bkfs.com

+1 (704) 890-8158

ICE Investor Contact:

Katia Gonzalez

katia.gonzalez@ice.com

+1 (678) 981-3882

Source: Intercontinental Exchange