

MarketNaight's 2024 Year in Review & 2025 Outlook

ATLANTA, GA, UNITED STATES, March 11, 2025 /EINPresswire.com/ -- [MarketNaight](https://www.marketnsight.com), a leader in real estate data and analysis across the Southeast, tracks pending sales weekly and uses this information to identify housing trends. Here is a rundown of last year's trends and what's expected in 2025.



Trends in Pending Sales

Total pending sales were relatively flat compared to 2023 while still down 20% from 2019, the last normal year for housing. Near the end of 2024, rates steadily increased from 6.09% to 6.91%. Pending sales ended on a strong note, defying conventional wisdom, and were up 18% year-to-year for the last week of December 2024 and up 13% year-to-year between the presidential election and the last day of the year.



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John Hunt

"The first eight months of 2024 were basically a wash compared against 2023; we hope to see the surge that started in September continue into 2025," comments John Hunt, Principal and Chief Analyst of MarketNaight.

As the only major housing research company that breaks out pending sales by new versus resale, MarketNaight has compiled the entire story of the last four years. From May 2020 to April 2021, there was a boom in the housing

market due to the global pandemic, followed by low inventory and historically high interest rates that drove new and resale into negative year-to-year from May 2021 to December 2022. In 2023, however, new pending sales turned positive, as new lot inventory came online and competition from resale suffered due to the "lock-in effect." For 2024, pending sales trends began to moderate until September, when they again turned positive.

Supply and Demand

Total inventory at the end of December 2024 was down 8% compared to October 2024's peak; however, it was still up 44% year-to-year. Total inventory is still 5% below pre-pandemic levels.

As MarketNsiight predicted early in 2024, Months of Supply (MOS) peaked in October at 3.7. From there, total inventory and MOS dropped under normal seasonal conditions, and the year ended at 3.4 MOS. It is likely that MOS will drop again in January and February before starting to rise in March as the Atlanta metro enters the peak selling season. As inventory and MOS have decreased seasonally, the housing deficit has increased. Atlanta needs an additional 34,000 units of inventory annually to return to equilibrium.

Many forecasters predict that MOS will rise higher in 2025, possibly to 4-5MOS. "Months of supply is absolutely tied to mortgage rates," said Hunt. "If we see rates moderate into the low 6's, we could see a surge in the demand that has been pent up by current rates. If that is the case, we could see MOS drop in 2025 instead of rising."

Even if rates stay elevated, inventory will remain constrained due to the "lock-in effect." "In this scenario, our forecast is for MOS to peak between 4.3 and 4.5 in 2025. If rates drop, we might see MOS stay in the mid-3s. The last time we saw MOS at 6 in our country was 12 years ago," comments Hunt.

What about Price?

In 2024, prices were up 6% over 2023. This is higher than the 50-year annual price appreciation average of 4.6%.

December 2024 prices are up 15% over December 2021, 37% over December 2020, and 56% over December 2019.

"We are the only major housing research company that breaks out pending sales by price," said Hunt. "The Fed's rate policies have resulted in a bifurcated market, where those who can pay cash and those who have enough income to qualify at higher rates (or make enough that they don't care about rates) are buying, and those who cannot qualify at higher rates or are discretionary are not buying. The Fed's rate policy has not set a path toward attainable housing and has probably hindered attainability for many years."

For 2024, pending sales below \$300,000 were down 10%, pending sales from \$300,000 to \$500,000 were flat, while pending sales over \$700,000 were up 22% year-to-year.

Looking Forward to 2025

If rates remain in the mid to upper 6's, 2025 will likely be a repeat of last year. But if inflation eases and rates lower, it will be a promising year for homebuyers to get off the sidelines and start shopping.

“In either case, we believe that the new home industry is uniquely positioned to offer a very attractive option to whatever level of demand that exists,” said Hunt. “New home sales in December were 7% above December 2023, according to our data.

“Also, as we have been advocating for years, builders are beginning to build smaller homes to mitigate price and reach the deeper buyer pool to increase absorptions,” comments Hunt. “Increased attainability is a natural byproduct of this industry trend.”

Simply put, new homes have available inventory and can offer rate-based incentives that existing home sellers cannot.

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MarketNsight currently serves 48 cities in ten states – Alabama, Florida, Georgia, Louisiana, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia. Look for the addition of more cities soon!

To schedule a demonstration of the MarketNsight Feasibility Matrix® or Mortgage Matrix®, call 770-419-9891 or email info@MarketNsight.com. For information about MarketNsight and John Hunt's upcoming speaking engagements, visit www.MarketNsight.com.

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