

Single-Family Home Prices Rose in March and Are Up Over the Past Year Under Tight Inventories

- **The Case-Shiller national home price index rose on the month in March and was up 6.5% over the past year.**
- **On a year-ago basis home prices were up in all 20 metro areas covered.**
- **Tight inventories of existing homes for sale keep putting upward pressure on single-family prices.**
- **PNC expects home prices will continue to increase in 2024, but at a slower pace.**

The S&P CoreLogic Case-Shiller U.S. National Home Price Index climbed 0.3% after seasonal adjustment to a new high in March, and was up 6.5% in March from a year earlier, close to the consensus expectation. Year-over-year price growth was 6.6% in February. Prices were down on a year-over-year basis in mid-2023.

Prices were up on the month in 13 of the 20 metro areas covered in the release after seasonal adjustment, with the biggest increases in New York and Cleveland (both up 1.3%). Prices were flat over the month in Charlotte and San Francisco, and were down in Denver (the biggest drop at 0.7%), Phoenix, Tampa, Seattle, and Dallas. Prices were up in all 20 metro areas on a year-ago basis in March, with the largest increases in San Diego (11.1%), New York (9.2%), Cleveland (8.8%) and Los Angeles (8.8%). The weakest year-over-year price growth was in Denver (up 2.1%) and Portland (up 2.2%).

Housing inventories remain very tight in 2024. The stock of existing homes for sale at the current sales pace was 3.5 months in April, according to the National Association of Realtors. While this is up from 2.9 months in February, it is down from around 4 months prior to the pandemic. The housing shortage is exerting upward pressure on single-family home prices, even with very low housing affordability given elevated mortgage rates.

PNC expects low resale inventory will continue to put upward pressure on house prices in 2024. However, PNC does expect price growth to slow from last year because of low housing affordability and rising supplies of new homes for sale. PNC forecasts the 30-year fixed mortgage rate will be around 6.5% in the fourth quarter of 2024, down from around 7.8% currently, but still well above the sub-3% rates in the aftermath of the pandemic.

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