

U.S. Data Review

- Existing home sales: off in February, most likely constrained by weather

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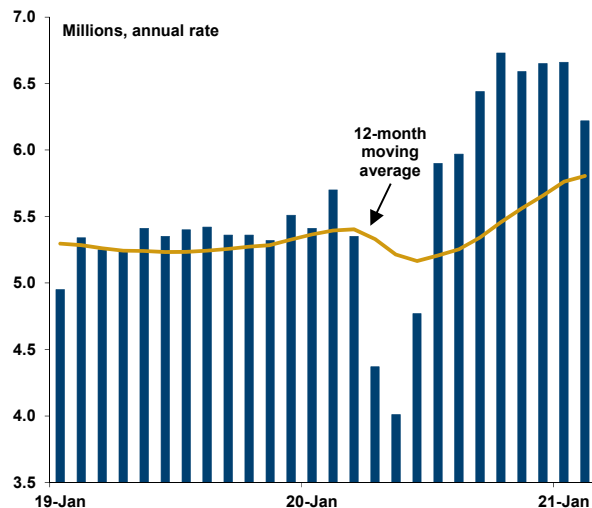
Existing Home Sales

Sales of existing homes fell 6.6 percent in February, sharper than the expected drop of 2.9 percent. In addition, the change occurred from a downward revised level in the prior month, with activity in January 0.4 percent lighter than previously believed. Although the results were lighter than expected, they were not especially troubling, as challenging weather probably had a constraining influence on activity. Also, results were still respectable relative to historical standards. Sales were shy of the robust totals in the prior five months, but they remained above pre-virus levels, and looking further back, they trailed only the results seen during the housing bubble.

The influence of the weather was evident in the geographic breakdown. The Midwest was hit hardest by challenging conditions, and this section registered a drop of 14.4 percent. The most serious storm moved to the Northeast in the latter part of February, which led to a decline of 11.5 percent. The South showed less of an influence (off 6.1 percent), while sales in the West improved (up 4.6 percent).

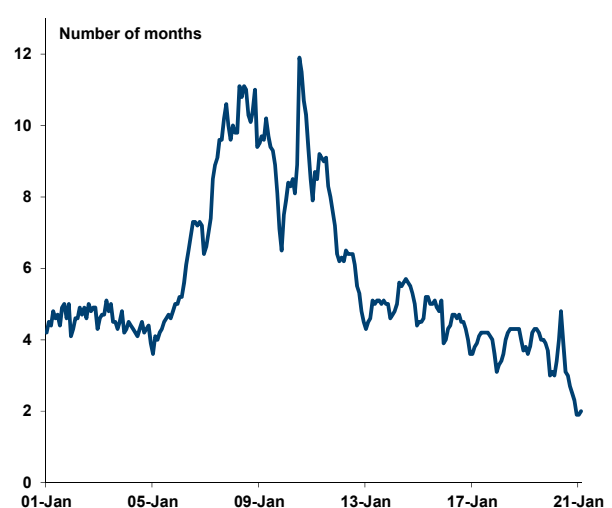
The number of homes on the market was unchanged in February, a softer than normal result (this series is not seasonally adjusted, and home listings usually begin to increase in February; average increase of 3.3 percent in the prior 10 Februaries). Although the number of homes on the market was unchanged, the easing in the number of sales led to an upward wiggle in the months' supply of homes (2.0 months in February versus 1.9 in January). The months' supply remains far below previous lows (chart).

Existing Home Sales



Source: National Association of Realtors via Haver Analytics

Months' Supply of Unsold Homes



Source: National Association of Realtors via Haver Analytics

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