

# U.S. Data Review

- Existing home sales: easing in March; part fundamental, part weather

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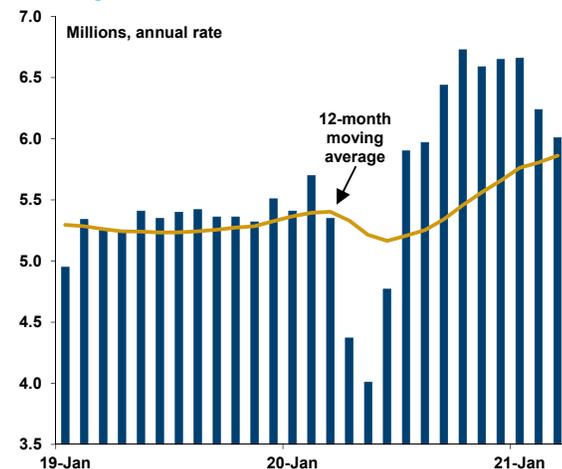
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## Existing Home Sales

Sales of existing homes fell 3.7 percent in March, softer than the expected drop of 1.8 percent. The retreat was broad-based geographically, with all four regions of the country contributing, and it marked the second consecutive decline. Despite the recent softening, sales remained at a respectable level (5.4 percent above the pre-pandemic level in February 2020; chart, left). Some of the easing probably reflects the influence of higher mortgage interest rates, but adverse weather most likely played a role as well. Sales of existing homes are based on closed transactions, and the challenging weather in February probably limited searches for homes and the signing of contracts, which would affect closings in March.

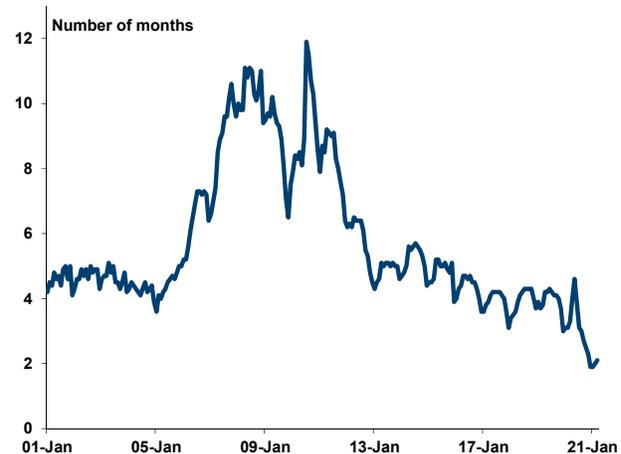
The tight inventory situation in the housing market improved slightly in March. The number of homes for sale rose 3.9 percent, firmer than the average of 2.5 percent in the prior 10 years (this series is not seasonally adjusted). The pickup in inventory, along with softer sales, led to an increase in the months' supply of homes (2.1 months versus 2.0 in February and 1.9 around the turn of the year; chart, right). Inventories, though, are still lean by historical standards.

### 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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