

U.S. Data Review

- Existing home sales: modest rebound

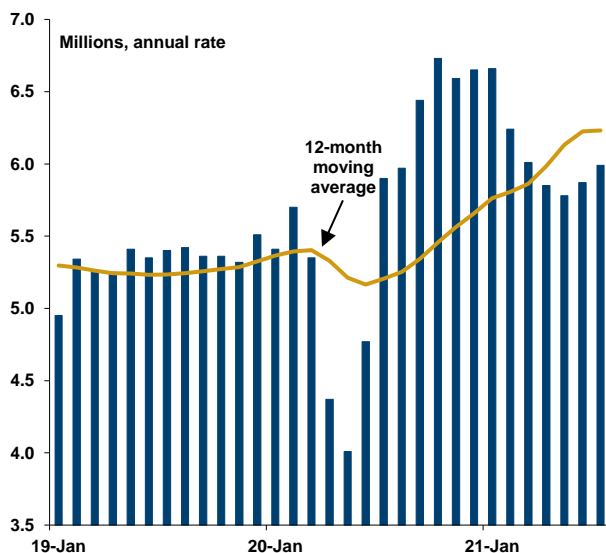
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Existing Home Sales

Sales of existing home rose 2.0 percent in July, firmer than the expected decline of 0.5 percent. The increase marked the second consecutive advance, suggesting a possible revival after declines in the four months before these gains. However, the pickups provided only a modest offset to the prior retreat and kept sales 10.1 percent below the level in January. Despite the net softening in the past six months, sales remained above their pre-pandemic level (chart, left).

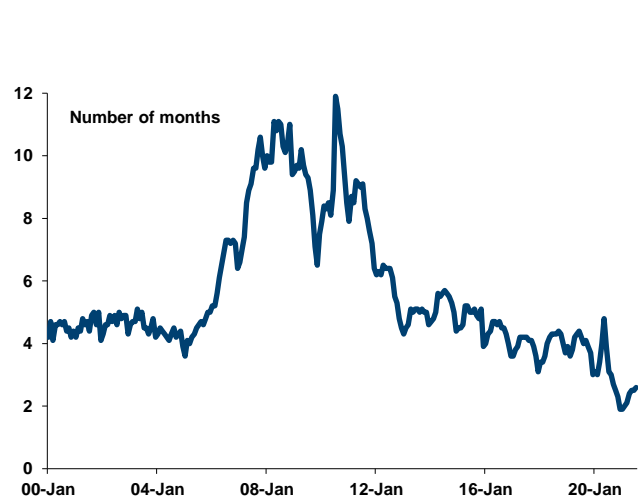
Two factors seemed to account for the easing in the pace of sales in the spring: elevated prices and a lean inventory of homes for sale. High prices remain an issue. The median price of homes sold fell 0.8 percent in July, but this series is not seasonally adjusted and prices typically begin to soften in July; a seasonally adjusted advance probably would have shown an increase. Also, a drop of 0.8 percent would represent a mere dent in previous advances (the year-over-year change totaled 17.8 percent). The Inventory situation has improved a bit recently. The number of homes for sale rose 7.3 percent in July, much larger than normal (this series also is not seasonally adjusted; the average increase in the prior 10 years totaled 0.3 percent). The increase in inventory pushed the months' supply to 2.6 in July, up from the low of 1.9 in December and January but still low by historical standards (chart, right).

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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