

U.S. Data Review

- Existing home sales: seventh consecutive decline

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Existing Home Sales

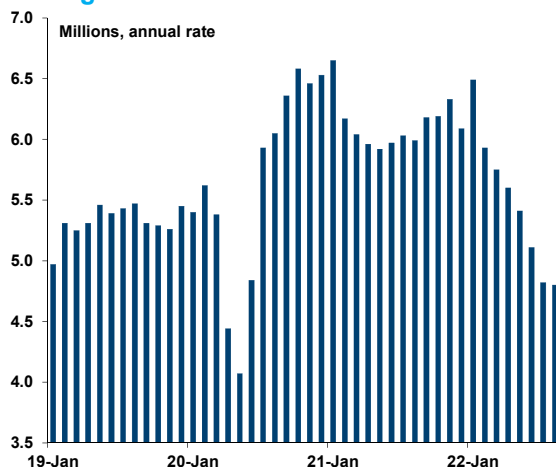
Sales of existing homes slipped 0.4 percent in August to 4.80 million units (annual rate), better than the consensus expectation of a decline of 2.3 percent. The latest shift, although modest, marked the seventh consecutive decline and followed changes that averaged -4.8 percent in the prior six months. The cumulative decline of 26 percent from January left sales at their lowest level since the very early stages of the current expansion (chart, left). The combination of sky-high prices and elevated mortgage rates are weighing heavily on the housing market.

Activity ticked higher in the Northeast and the West in August, and it was flat in the South; sales slipped in the Midwest. After falling across the board in other recent months, sales in all four major regions remained at levels last seen during the early stages of the current expansion.

The number of homes on the market fell 1.5 percent in August, a change in line with seasonal norms (this series is not seasonally adjusted). The drop followed increases in the prior five months which were generally firmer than seasonal norms, helping to ease tight supply conditions that were constraining sales and driving prices higher. The pickup in supply in the spring and early summer pushed the months' supply of homes for sale to 3.2 months, up from the record low of 1.6 percent in January. The months' supply remained steady at 3.2 in August (chart, right).

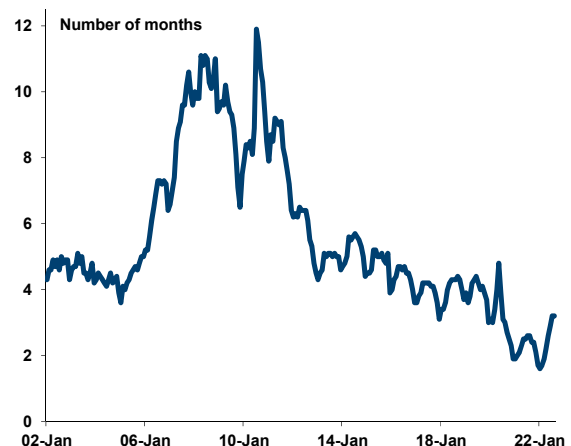
The recent drop in demand has led to some easing in prices, with the median falling 2.4 percent month-to-month to \$389,500 after a decline of 3.5 percent in July. The median price has cooled from the record of \$413,800 in June, but it is still 7.7 percent higher than the median in the same month last year (median price of \$361,500 in August 2021).

Existing Home Sales



Source: National Association of Realtors via Haver Analytics

Months' Supply of Unsold Existing Homes



Source: National Association of Realtors via Haver Analytics

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