

U.S. Data Review

- Existing home sales: down for the 11th consecutive month; below the pandemic-low

Lawrence Werther

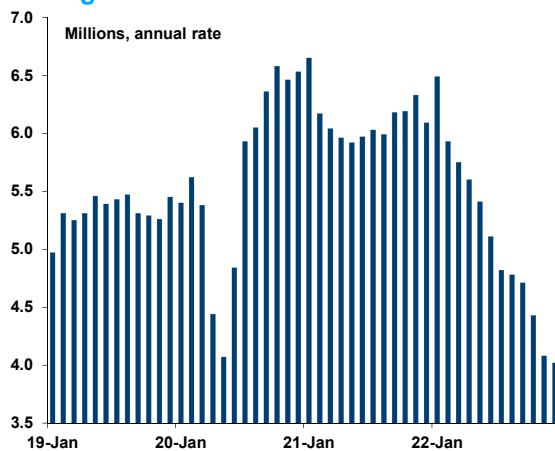
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Existing Home Sales

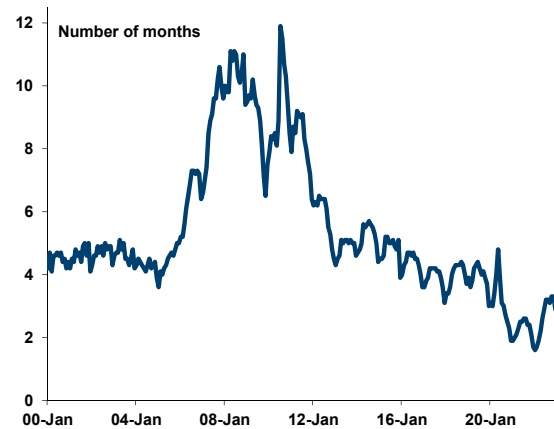
- Sales of existing homes fell 1.5 percent in December, a bit better than the expected drop of 3.4 percent, but still a weak performance. The latest reading marked the 11th consecutive decline in sales, with the level of 4.02 million units (annual rate) falling below the recent low of 4.07 million in May 2020, when pandemic-related lockdowns choked activity (chart, left). The December reading was not a record low, but one has to go back to the years following the housing bust and financial crisis to see softer results.
- Sluggish activity was broad-based geographically, with three of four major regions registering declines; activity in the West was unchanged from that in the prior month, remaining at the bottom of its historical range. Activity in the Northeast and South were a bit above pandemic lows, and activity in the Midwest was below the recent trough.
- The inventory of homes available for sale fell 13.4 percent in December, about matching the average change for December in the prior 10 years (this series is not seasonally adjusted). The slowing in sales and decline in inventories left the months' supply of homes at 2.9 months, down 0.4 month from November. The latest reading is up from the record low of 1.6 months in January 2022, but in the low end of this historical range.

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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