

U.S. Data Review

- Existing home sales: low end of the long-term range
- Inventories: still tight, but hints of improvement

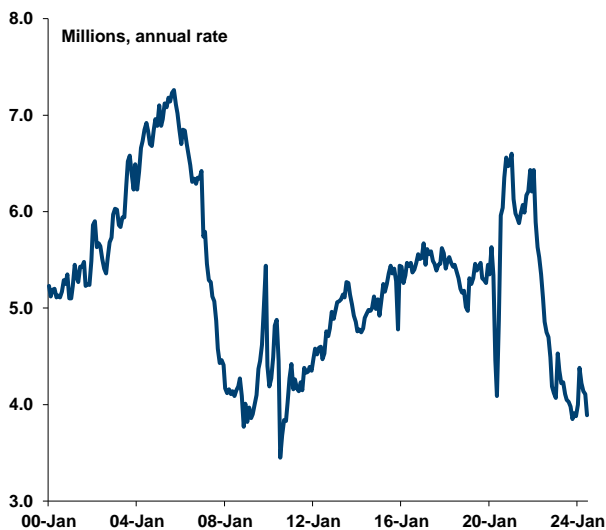
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Existing Home Sales

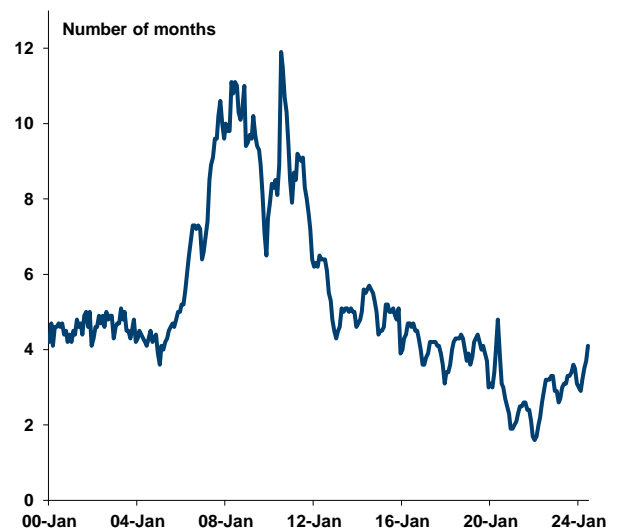
- Sales of existing homes fell 5.4 percent in June to 3.89 million, annual rate. The fourth consecutive decline in activity left sales at the third slowest pace of the current expansion (current bottom of 3.85 million in October 2023) and in the low end of the longer-term range (chart, below left). Affordability constrains magnified by tight inventories continue to hamper activity in the market, with a broader recovery unlikely until mortgage interest rates ease and the supply of units available for sale increases.
- Despite the drop in activity, the median sales price rose 2.3 percent month-over-month, the fifth consecutive advance; the latest increase pushed the median to a record \$426,900. On a year-over-year basis, the measure was up 4.1 percent (versus 5.2 percent in May). Even with prices remaining under pressure, the press release from the National Association of Realtors indicated that “further large accelerations are unlikely,” as “[s]upply and demand dynamics are nearing a balanced market condition.”
- While tight inventories have both supported high prices and constrained sales, hints of improvement on the supply-side have emerged recently. The inventory of homes available for sale rose 3.1 percent month-over-month in June to 1.32 million units (+23.4 percent year-over-year). The latest reading translated to a months’ supply of 4.1 months at the current sales pace. The June reading was up from 3.7 months in May and the record low of 1.6 months in January 2022. Even so, the inventory situation remains constrained from a longer-term perspective (chart, below 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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