

# U.S. Data Review

- Existing home sales: activity decelerates in June; inventories improve

**Lawrence Werther**

lawrence.werther@us.daiwacm.com  
+1-212-612-6393

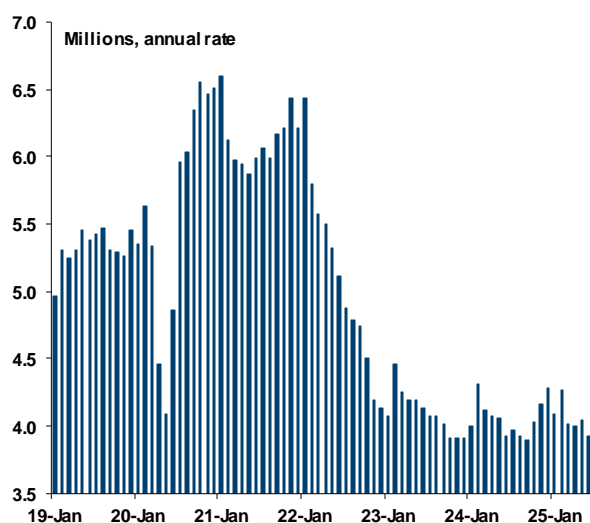
**Brendan Stuart**

brendan.stuart@us.daiwacm.com  
+1-212-612-6172

## Existing Home Sales

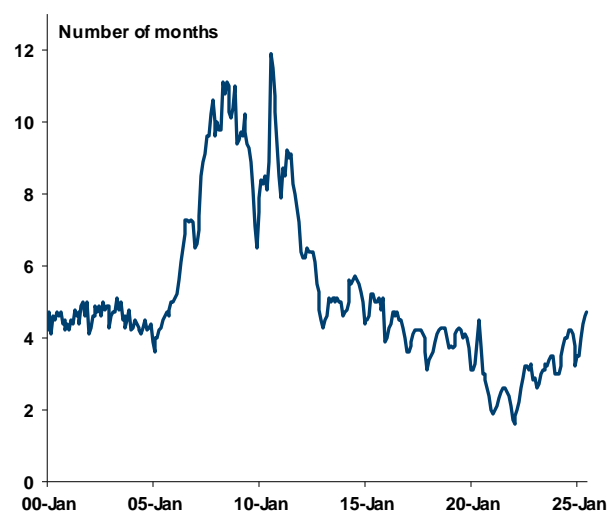
- Sales of existing homes fell 2.7 percent to 3.93 million units, annual rate, in June – a result softer than the Bloomberg survey median projection of a decline to 4.00 million. Following the latest dip, sales remain mired in the low end of the longer-term range, with tight inventories and elevated prices contributing to the current environment of reduced affordability for prospective homebuyers (chart, below left). As mentioned by NAR Chief Economist Lawrence Yun in the official release: “Multiple years of undersupply are driving the record high home price. Home construction continues to lag population growth. This is holding back first-time home buyers from entering the market.”
- The downtick in activity was fairly broad based, with three of the four major geographical regions reporting decreases in June. The Northeast posted the largest month-to-month decline in activity, with sales easing 8.0 percent to 0.460 million units, annual rate. Concurrently, sales in the Midwest and South softened 4.0 and 2.2 percent to 0.950 and 1.810 million units, respectively. The West, meanwhile, was the only region to see an increase in the latest month, rising 1.4 percent to 0.710 million units. Sales in all four regions remain in the low end of their respective historical ranges.
- The median sales price for existing homes rose for the fifth consecutive month in June, increasing 2.7 percent to \$435,300 – the highest observation on record. On a year-over-year basis, the measure rose 2.0 percent (versus 1.6 percent in May).
- The inventory of unsold homes eased 0.6 percent to 1.530 million units in June, a reading only modestly below last month’s five-year high of 1.540 million but still low from a long-term perspective (+15.9 percent year-over-year). That observation translated to a months’ supply of 4.7 months at the current sales pace. June’s reading is above the record low of 1.6 in January 2022 and the highest observed since July 2016 (chart, below right). Broadly speaking, while evidence of improvement has emerged in recent months, a longstanding lack of inventory has supported both high prices and sluggish sales in the market for existing homes. Substantial improvement is unlikely to materialize in the near term until mortgage rates (and/or prices) ease, thereby mitigating the current affordability challenges faced by potential buyers.

### Existing Homes 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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