

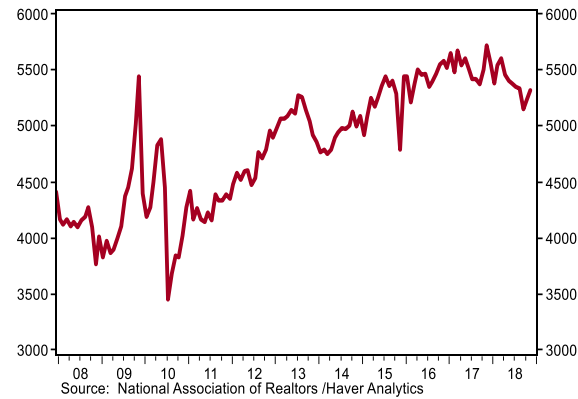
November Existing Home Sales

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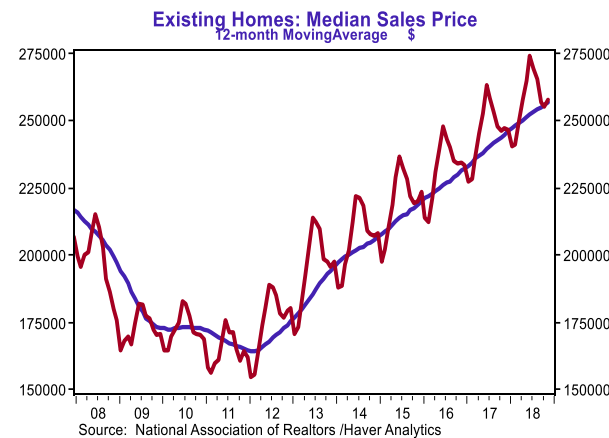
- Existing home sales rose 1.9% in November to a 5.32 million annual rate, beating the consensus expected 5.20 million. Sales are down 7.0% versus a year ago.
- Sales in November rose in the Northeast, Midwest, and South, but declined in the West. Sales of both single-family homes and condos/coops rose in November.
- The median price of an existing home rose to \$257,700 in November (not seasonally adjusted) and is up 4.2% versus a year ago. Average prices are up 2.3% versus last year.

Implications: Existing home sales continued to rebound in November, rising for a second consecutive month after six months of declines. More important is that distortions to the data from this year’s hurricane season should now be behind us, and the coming months will provide a clearer read of housing market health. That said, the biggest (and ongoing) issue holding back home sales has been a lack of supply. The months’ supply of existing homes – how long it would take to sell the current inventory at the most recent sales pace – declined to 3.9 months in November, as the pace of sales increased despite a 110,000 unit decline in inventories. The month’s supply of existing homes has now stood below 5.0 since late 2015 - the level the National Association of Realtors (NAR) considers tight. The good news is that inventories have finally been turning a corner, rising on a year-over-year basis for the fourth month in a row after 38 straight months of stagnation and declines. If sellers really are changing their behavior, a reversal in the steady decline of listings we’ve seen since mid-2015 would be a welcome reprieve for buyers, boosting supply and sales, as well. Even with the current lack of choices, the demand for existing homes has remained remarkably strong, with 43% of homes sold in November remaining on the market for less than a month. Higher demand and a shift in the “mix” of homes sold toward more expensive properties has also driven up the median sales price, which is up 4.2% from a year ago. Many analysts have been suggesting rising mortgage rates are signaling the end for the housing market recovery. However, continued strength in the job market, rising wages, and a turnaround in housing inventory should offset higher financing headwinds going forward. Further, mortgage rates peaked at the beginning of November and have been trending lower since, which should help support activity on the margin. It won’t be a straight line higher, but fears that the housing recovery is over are overblown.

NAR Total Existing Home Sales, United States
SAAR, Thous



Existing Homes: Median Sales Price



Existing Home Sales	Nov-18		Oct-18	Sep-18	3-month	6-month	Yr to Yr
	%Ch.	level	level	level	moving avg.	moving ave.	%Change
<i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>							
Existing Home Sales	1.9%	5320	5220	5150	5230	5290	-7.0
Northeast	7.2%	740	690	680	703	698	-2.6
Midwest	5.5%	1340	1270	1280	1297	1282	-4.3
South	2.3%	2200	2150	2110	2153	2197	-5.6
West	-6.3%	1040	1110	1080	1077	1113	-15.4
Median Sales Price (\$, NSA)	1.0%	257700	255100	256900	256567	263067	4.2

Source: National Association of Realtors