

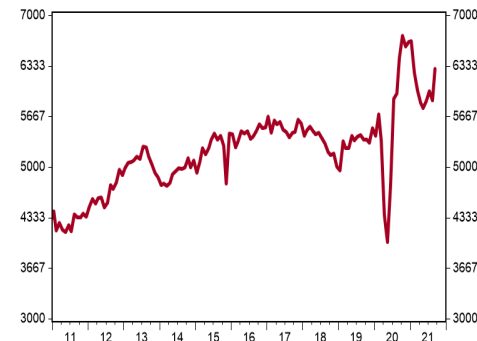
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September Existing Home Sales

- Existing home sales increased 7.0% in September to a 6.290 million annual rate, easily beating the consensus expected 6.100 million. Sales are down 2.3% versus a year ago.
- Sales in September rose in all major regions. The increase was due to both single-family homes and condos/co-ops.
- The median price of an existing home fell to \$352,800 in September (not seasonally adjusted) but is up 13.3% versus a year ago. Average prices are up 8.6% versus last year.

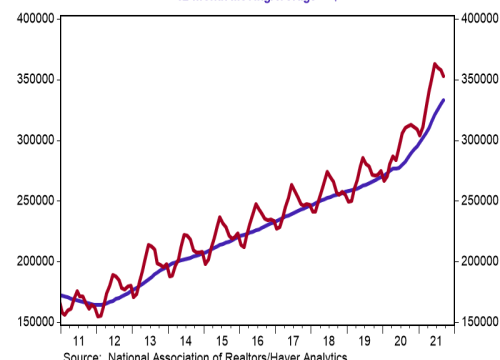
Implications: Existing home sales surprised to the upside in September, posting the largest monthly gain in a year and rising to the fastest pace since January. Since the pandemic hit US shores in early 2020, sales of existing homes have been through a wild ride, as the nearby chart shows. Now it looks like the upward trend in sales may be returning despite buyers’ ongoing struggle with higher prices and lack of supply. The number of listed, but unsold, existing homes was 1.27 million in September, the lowest number for any September on record (dating back to 1999). Our expectation is that listings will soon move upward again, at least on a seasonally adjusted basis, as virus fears fade. Meanwhile, the months’ supply of existing homes for sale (how long it would take to sell today’s inventory at the current sales pace) fell to 2.4 months in September, remaining near record lows. Despite the ongoing shortage of listings, there is still significant pent-up demand from the pandemic, with buyer urgency so strong in September that 86% of existing homes sold on the market for less than a month. The combination of strong demand and sparse supply has pushed median prices up 13.3% in the past year, but the good news is that price gains have been decelerating rapidly since hitting a year-to-year gain of 23.6% in May. Sales in 2021 are on track to be the highest for any calendar year since 2006 and we expect another solid year in 2022 as more inventory becomes available and price gains continue to moderate. Millennials are now the largest living generation in the US and have begun to enter the housing market in force, making up over 50% of new mortgage issuance for the first time in 2019. This represents a demographic tailwind for sales for the foreseeable future. In other news this morning, initial jobless claims fell 6,000 last week to 290,000. Meanwhile continuing claims declined 122,000 to 2.481 million. Both of these readings represent new lows for the pandemic recovery and signal an acceleration in job gains in October.

NAR Total Existing Home Sales, United States
SAAR, Thous



Source: National Association of Realtors/Haver Analytics

Existing Homes: Median Sales Price
Existing Homes: Median Sales Price
12-month Moving Average



Source: National Association of Realtors/Haver Analytics

Existing Home Sales	Sep-21		Aug-21	Jul-21	3-month	6-month	Yr to Yr
	% Ch.	level	level	level	moving avg.	moving avg.	% Change
<i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>							
Existing Home Sales	7.0%	6290	5880	6000	6057	5945	-2.3
Northeast	5.5%	770	730	740	747	738	-8.3
Midwest	5.1%	1440	1370	1390	1400	1352	-2.7
South	8.6%	2770	2550	2630	2650	2623	0.0
West	6.5%	1310	1230	1240	1260	1232	-3.0
Median Sales Price (\$, NSA)	-1.4%	352800	357700	359500	356667	353967	13.3

Source: National Association of Realtors