

October Existing Home Sales

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- Existing home sales increased 3.4% in October to a 3.960 million annual rate, nearly matching the consensus expected 3.950 million. Sales are up 2.9% versus a year ago.
- Sales in October rose in all the major regions. The gain in October was due to both single-family homes and condos/co-ops.
- The median price of an existing home increased to \$407,200 in October (not seasonally adjusted) and is up 4.0% versus a year ago.

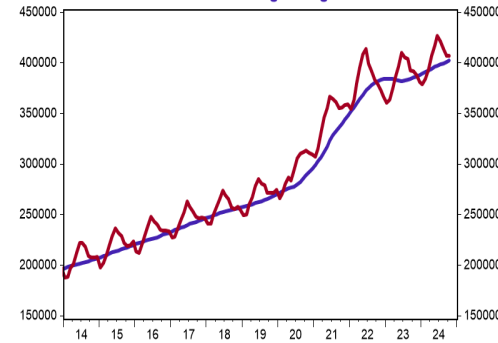
Implications: Existing home sales showed some signs of life in October, posting the largest gain in eight months. While the headline gain of 3.4% is positive news, sales activity still remains near the slowest pace since the aftermath of the 2008 Financial Crisis. One problem recently is that since Federal Reserve rate cuts began in September, 30-year fixed mortgage rates have risen back above 7%. So at least so far, the widely anticipated shot in the arm to the housing market from improved affordability hasn't happened and buyers continue to sit on the fence. Meanwhile, home prices are rising again with the median price of an existing home up 4.0% from a year ago. While most of the housing market remains stuck in low gear, certain segments have shown signs of life. Notably, sales of homes priced at \$1 million and above have risen 23.0% in the past year versus just 2.9% for all existing home sales. This demonstrates that, at least at the higher end of the market, both buyers and sellers are beginning to adjust to the new reality of higher rates. However, outside the most expensive segment many existing homeowners remain reluctant to sell due to a "mortgage lock-in" phenomenon, after buying or refinancing at much lower rates before 2022. This remains a major impediment to activity by limiting future existing sales (and inventories). However, there are signs of progress with inventories rising 19.1% in the past year. That has helped push the months' supply of homes (how long it would take to sell existing inventory at the current very slow sales pace) to 4.2 in September, a considerable improvement versus the past few years, but still below the benchmark of 5.0 that the National Association of Realtors uses to denote a normal market. A tight inventory of existing homes means that while the pace of sales looks like 2008, we aren't seeing that translate to a big decline in prices. In employment news this morning, initial jobless claims fell 6,000 last week to 213,000. Meanwhile, continuing claims rose 36,000 to 1.908 million. These figures are consistent with continued job growth in November, but at a slower pace than earlier this year. Finally, on the manufacturing front, the Philadelphia Fed Index, a measure of factory sentiment in that region, fell to -5.5 in November from +10.3 in October.

NAR Total Existing Home Sales, United States
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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	Oct-24		Sep-24	Aug-24	3-month	6-month	Yr to Yr	
	<i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	% Ch.	level	level	level	moving avg.	moving avg.	% Change
Existing Home Sales		3.4%	3960	3830	3880	3890	3940	2.9
Northeast		2.2%	470	460	480	470	475	0.0
Midwest		6.7%	950	890	920	920	933	1.1
South		2.9%	1770	1720	1750	1747	1780	2.3
West		1.3%	770	760	730	753	752	8.5
Median Sales Price (\$, NSA)		0.1%	407200	406700	414200	409367	415600	4.0

Source: National Association of Realtors