

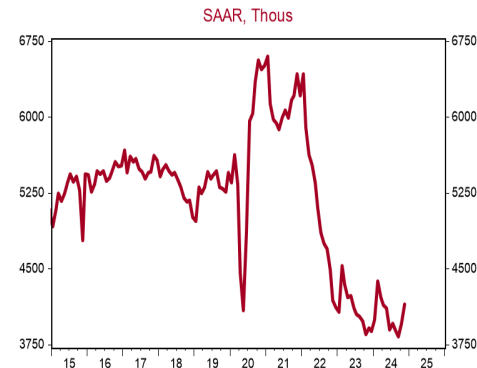
November Existing Home Sales

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- Existing home sales increased 4.8% in November to a 4.150 million annual rate, beating the consensus expected 4.090 million. Sales are up 6.1% versus a year ago.
- Sales in November rose in the Northeast, South, and Midwest, but remained unchanged in the West. The gain in November was due to both single-family homes and condos/co-ops.
- The median price of an existing home declined to \$406,100 in November (not seasonally adjusted) but is up 4.7% versus a year ago.

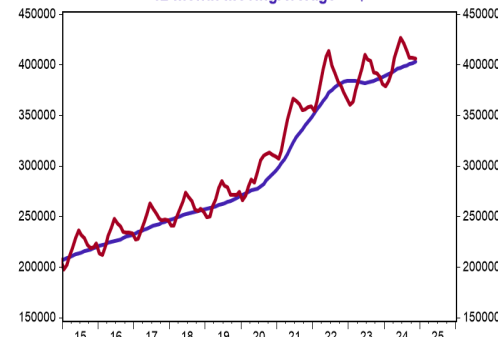
Implications: Existing home sales continued to show signs of life in November, rising for the second month in a row. While the headline gain of 4.8% is positive news, sales activity is subdued. The 4.150 million pace of November is well below the roughly 5.250 million annual pace that existed pre-COVID, let alone the 6.500 million pace during COVID. One problem recently is that since the Federal Reserve began cutting interest rates 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 most buyers continue to sit on the fence. Meanwhile, home prices are rising again with the median price of an existing home up 4.7% from a year ago. Speaking of price, it looks like the housing market has bifurcated along these lines. While the sales of homes worth \$500,000 and above are up at double-digit percent rates in the past year, sales for homes below this threshold have continued to struggle. On a positive note 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, it also suggests that inventory at the lower end of the price spectrum has all but disappeared after the inflation of the past few years. Moreover, 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 17.7% 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 3.8 in November, 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. On the manufacturing front, the Philadelphia Fed Index, a measure of factory sentiment in that region, fell to -16.4 in December from -5.5 in November. Meanwhile, the Kansas City Fed Manufacturing Index, the counterpart in that region, declined to -4 in December from -2 in November.

NAR Total Existing Home Sales, United States



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	Nov-24		Oct-24	Sep-24	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	4.8%	4150	3960	3830	3980	3947	6.1
Northeast	8.5%	510	470	460	480	480	6.3
Midwest	5.3%	1000	950	890	947	933	5.3
South	5.6%	1870	1770	1720	1787	1780	3.3
West	0.0%	770	770	760	767	753	14.9
Median Sales Price (\$, NSA)	-0.2%	406100	406800	406700	406533	413683	4.7

Source: National Association of Realtors