



## Existing Home Sales Take a Pause After Five Months of Gains

**Existing home sales finally took a breather** in November, breaking a five month stretch of gains, often substantial ones. The National Association of Realtors® (NAR) said that pre-owned single-family homes, townhomes, condos, and cooperative apartments sold at a seasonally adjusted annual rate of 6.69 million units, a 2.5 percent decline from October's 6.85 million pace. Sales were still 25.8 percent higher than the 5.32 million rate of sales in November 2019.

Sales were slightly below the estimates of analysts polled by both *Trading Economics* and *Econoday*. They had forecast sales of 6.71 million and 6.72 million, respectively.

Single-family homes sold at a seasonally adjusted annual rate of 5.98 million, 2.4 percent off the October pace and existing condo sales fell 2.7 percent to 710,000 units. Each remain significantly higher than sales in November 2019; single-family sales gained 25.6 percent and condo sales rose 26.8 percent.

"Home sales in November took a marginal step back, but sales for all of 2020 are **already on pace to surpass last year's levels**," said Lawrence Yun, NAR's chief economist. "Given the COVID-19 pandemic, it's amazing that the housing sector is outperforming expectations."

Yun notes that job recoveries have stalled in the past few months, and fast-rising coronavirus cases along with stricter lockdowns have weakened consumer confidence.

"Circumstances are far from being back to the pre-pandemic normal," he said. "However, the latest stimulus package and with the vaccine distribution underway, and a very strong demand for homeownership still prevalent, robust growth is forthcoming for 2021."

Sales may be down, but price increases continued unabated. November marked the 105<sup>th</sup> straight month of year-over-year appreciation. The median existing-home price for all housing types in November was \$310,800, up 14.6 percent from the prior November's median of \$271,300. The median existing single-family home price rose 15.1 percent to \$315,500 and there was a 9.5 percent gain in the median condo price to \$271,400.

Listing also declined at the end of November, 9.9 percent fewer than in October and down 22 percent from one year ago when the total was 1.64 million. Current listings are estimated at a 2.3-month supply at the current sales pace, an all-time low. In October, the supply was estimated at 2.5 months and at 3.7-months in November 2019.

Properties typically remained on the market for 21 days in November, seasonally even with October and down from 38 days in November 2019. Seventy-three percent of the homes sold in November 2020 were on the market for less than a month.

"Housing affordability, which had greatly benefitted from falling mortgage rates, are now being **challenged due to record-high home prices**," Yun said. "That could place strain on some potential consumers, particularly first-time buyers."

Those novice buyers were responsible for 32 percent of sales in November, unchanged from both October 2020 and November 2019. Individual investors or second-home buyers, who account for many cash sales, purchased 14 percent of homes in November and 20 percent of transactions were all-cash. Distressed sales accounted for less than 1 percent of the total.



**Jason Wood**

Mortgage Advisor & VA  
Loan Specialist, VA Loan  
Guy

[www.valoanguyusa.com](http://www.valoanguyusa.com)

P: (760) 350-3989

M: (760) 217-0820

2714 Loker Ave. W.  
Carlsbad CA 92010\_\_\_\_  
317293



Sales slipped in all four major regions in November but increased year over year by double digits as did median home prices.

November's existing-home sales in the Northeast dropped 2.2 percent from October to an annual rate of 880,000 units but were 25.7 percent higher than a year earlier. The median price in the Northeast was \$354,100, up 17.4 percent from November 2019.

Existing-home sales fell 2.5 percent in the Midwest to an annual rate of 1,590,000. Sales were 24.2 percent higher year-over-year. There was a 14.6 percent growth in the region's median price, to \$239,100.

Sales in the South fell 3.8 percent to an annual rate of 2.82 million units but were 25.9 percent higher on an annual basis. The median price was \$270,000, a 15.0 percent increase from a year ago.

Sales in the West were unchanged on a monthly basis at 1.40 million units but that represented 27.3 percent annual growth. The median price increased 13.8 percent to \$467,600.