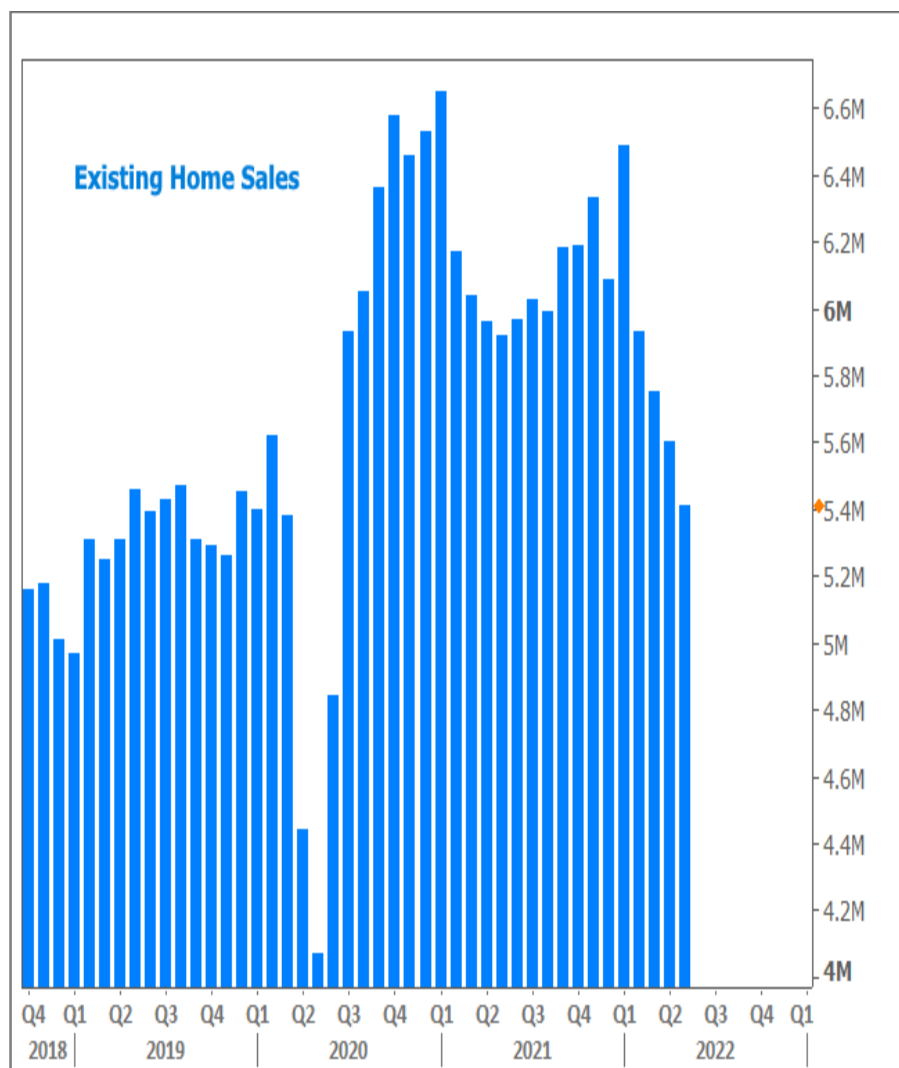




Existing Home Sales Slide Back to Pre-Pandemic Levels

April, May, and June of 2020 were the only 3 months where Existing Home Sales suffered as a result of the pandemic. During those three months, the annual pace averaged roughly 4.4 million versus the last pre-pandemic reading of 5.4 million. That number jumped to nearly 6 million in July and didn't show any serious signs of contraction until February of 2022.

What's up with the history lesson? The most important past data point in this case is that 5.4 million mark from March 2020 because today's report marks the first time that sales have returned to that level after skyrocketing for most of the past 2 years.



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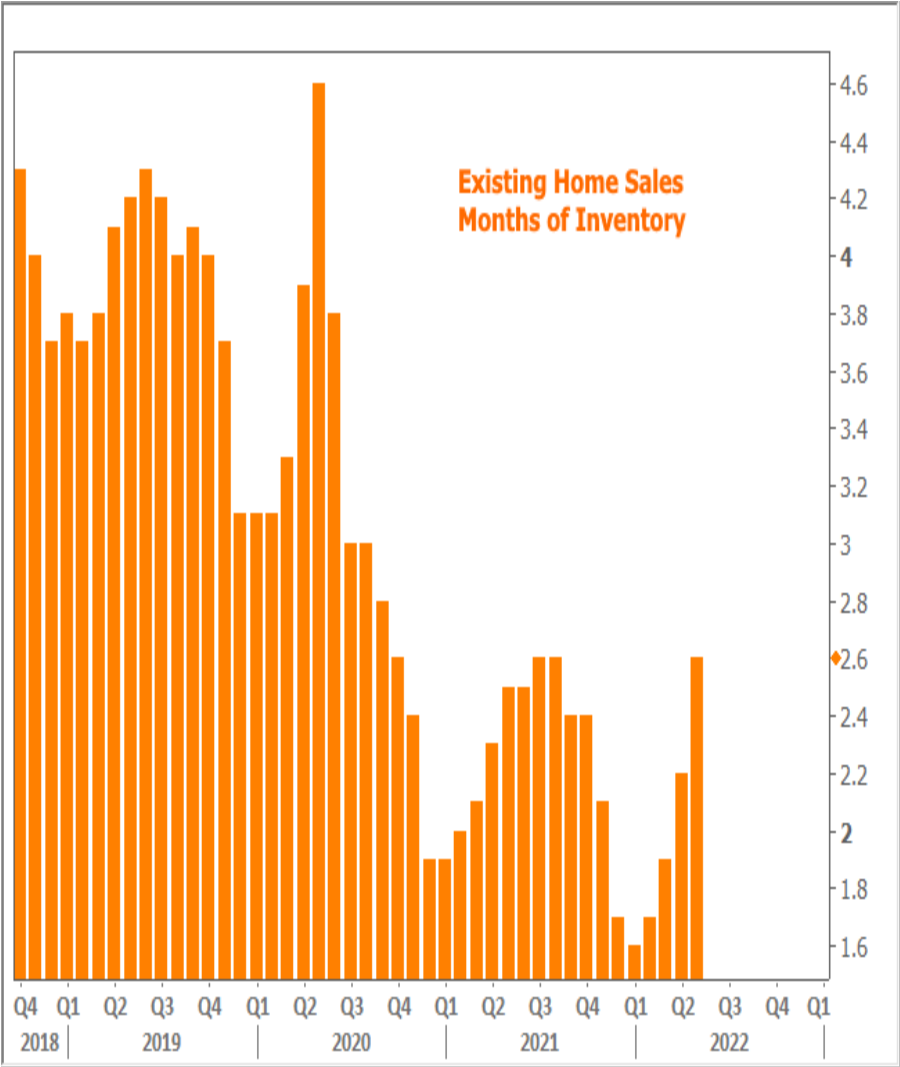
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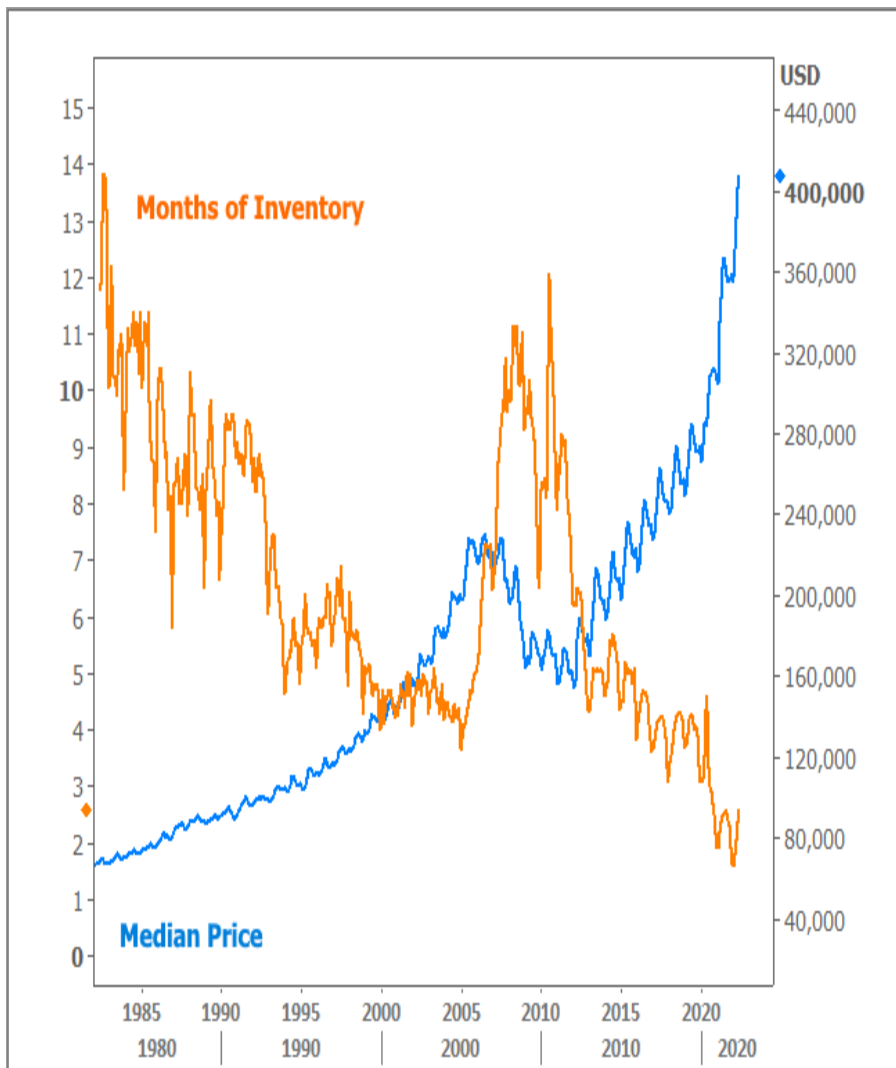


In other words, pandemic housing boom notwithstanding, sales of existing homes are still in great shape. There are disclaimers, of course. Rates have risen sharply and the recent trend is not yet showing signs of bottoming. NAR's chief economist, Lawrence Yun, concurs, "Further sales declines should be expected in the upcoming months given housing affordability challenges from the sharp rise in mortgage rates this year. Nonetheless, homes priced appropriately are selling quickly and inventory levels still need to rise substantially – almost doubling – to cool home price appreciation and provide more options for home buyers."

Inventory is ahead of last year's pace, but at 2.6 vs 2.5 months, just barely!



One thing that has not yet shown much sign of cooling is the surge in prices, which hit another record in this report. Be aware though, because this data isn't seasonally adjusted, prices will likely see their normal seasonal decline in the coming months.



Other highlights from the data:

- Properties typically remained on the market for 16 days in May, down from 17 days in April
- 88% of homes sold in May were on the market for less than a month
- All-cash sales accounted for 25% of total transactions, down from 26% in April
- Individual Investors bought 16% of homes, down from 17%