

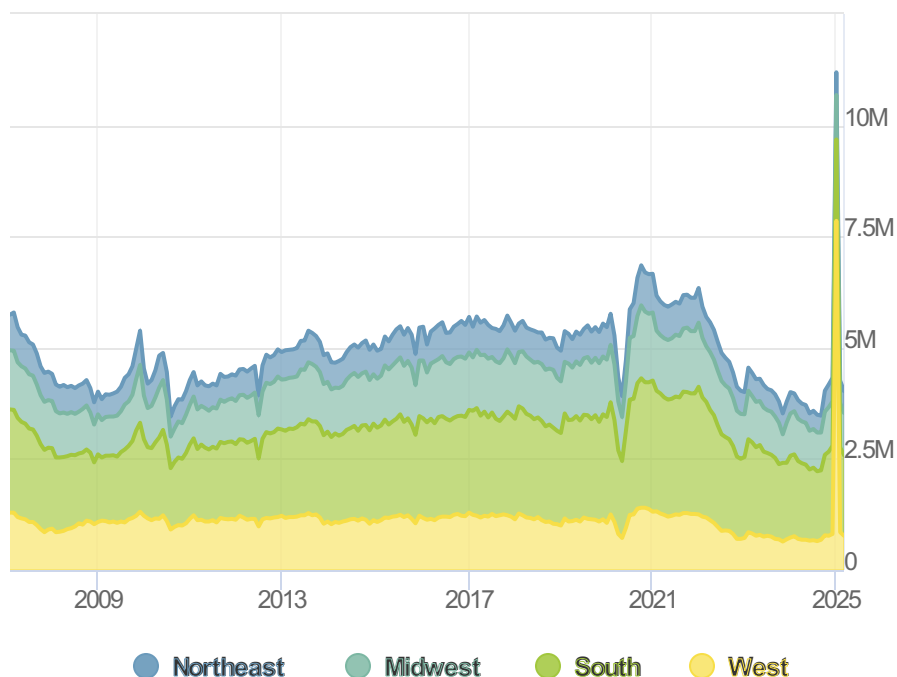


## Existing Home Sales Shrink for 11th Month

Existing home sales **fell back for the 11th straight month in December** according to the National Association of Realtors® (NAR). The month's sales of pre-owned single-family houses, townhouses, condominiums, and cooperative apartments were at a seasonally adjusted annual rate of 4.02 million units. This is down 1.5 percent from November's activity and 34.0 percent lower than in December 2021.

Single-family home sales **declined by 1.1 percent** to a seasonally adjusted annual rate of 3.60 million from 3.64 million in November and were down 33.5 percent from the previous year. Existing condominium and co-op sales came in at a seasonally adjusted annual rate of 420,000 units, a decline of 4.5 percent and 38.2 percent from the two earlier periods.

### Existing Home Sales



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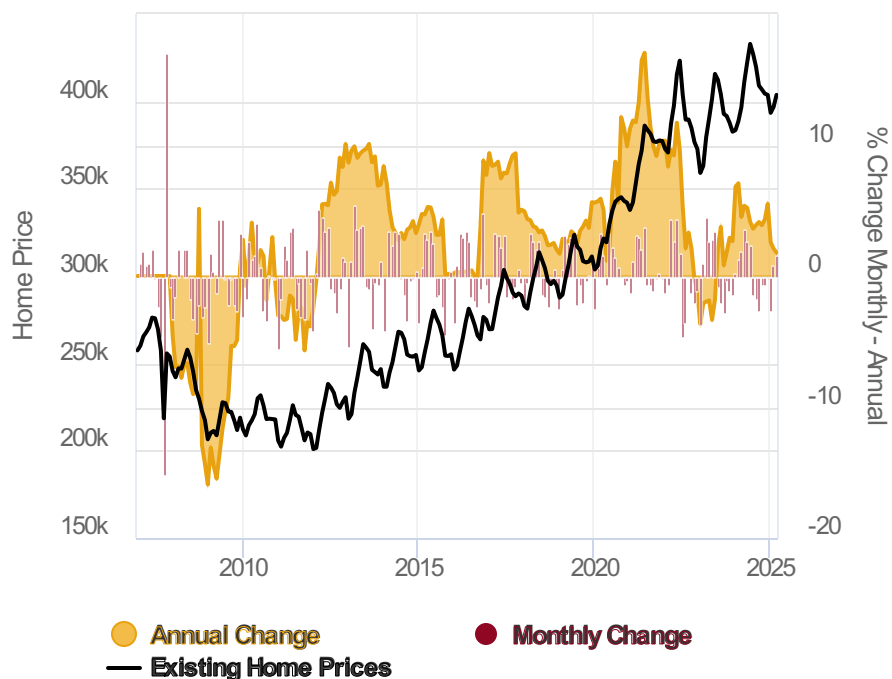
The December results were slightly better than expected. Analysts polled by *Econoday* and *Trading Economics* each came in with a consensus estimate of 3.97 units.

For the entirety of 2022 there were 5.03 million existing homes sold. This was 17.8 percent fewer than in 2021, as last year's rapidly escalating interest rate environment weighed on the residential real estate market.

"December was another difficult month for buyers, who continue to face limited inventory and high mortgage rates," said NAR Chief Economist Lawrence Yun. He said, however, he **expects sales to pick up again soon since mortgage rates have markedly declined** after peaking late last year.

As sales have slowed, so has the rate of appreciation, but prices are still moving higher on a year-over-year basis. The median price for existing homes in December was \$366,900, an increase of 2.3 percent from the median of \$358,800 a year earlier. This marks 130 consecutive months of year-over-year increases, the longest-running streak on record. The median existing single-family home price was \$372,700, up 2.0 percent from December 2021, and the median condo price of \$317,200 marked an annual increase of 3.3 percent.

### Existing Home Prices - Average



“Home prices nationwide are still positive, though mildly,” Yun added. “Markets in roughly half of the country are likely to offer potential buyers discounted prices compared to last year.”

At the end of the reporting period, there were 970,000 housing units available for sale, an estimated 2.9-month supply at the current pace. This is a 13.4 percent decline from November’s 3.3-month supply but represents 10.2 growth from the 880,000 units on the market in December 2021 when the absorption period was estimated at 1.7 months.

Properties typically remained on the market for 26 days in December, up from 24 days in November and 19 days in December 2021. Fifty-seven percent of homes sold in December 2022 were on the market for less than a month.

**Thirty-one percent of sales during the month were to first-time buyers, a 3-point increase** from November. Those buyers were responsible for 26 percent of sales last year, the lowest since NAR began tracking the data.

All-cash sales accounted for 28 percent of transactions in December, up from 26 percent in November and 23 percent in December 2021. Individual investors or second-home buyers, who account for many cash sales, purchased 16 percent of homes in December. Yun commented that cash buyers are unaffected by fluctuations in mortgage rates and were able to take advantage of lower prices in some areas.

Sales slipped in three of the four major regions compared to November and were lower than a year earlier in all four. In the **Northeast**, the annual rate was 520,000 units, down 1.9 percent from November and 28.8 percent on an annual basis. The median price in the region was \$391,400, an increase of 1.6 percent from the prior year.

Existing-home sales in the **Midwest** fell 1.0 percent from the previous month to an annual rate of 1.01 million in December and were off 30.3 percent from the December 2021 rate. The median price rose 2.9 percent to \$262,000.

Existing-home sales slipped 2.2 percent in the **South** to an annual rate of 1.80 million, a 33.1 percent lower than the previous year. The median price, \$337,900, is 3.5 percent higher than a year earlier.

Sales in the **West** were unchanged at an annual rate of 690,000 units but had plunged by 43.4 percent from the prior December. The price tag of \$557,900 was only \$200 more than the median in December 2021, less than a tenth of a percent growth.