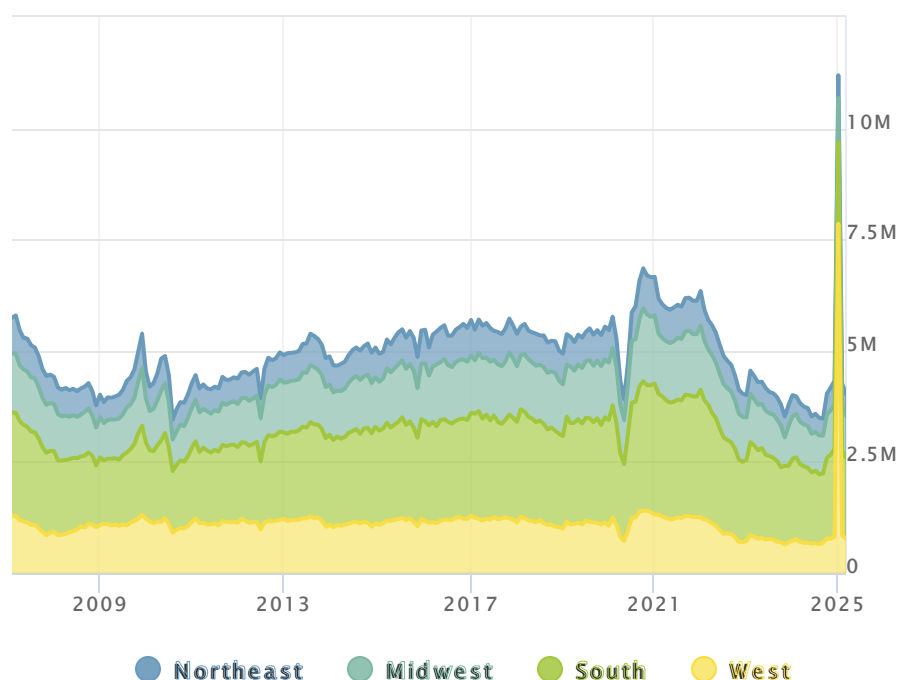




February Existing Home Sales Stage Spectacular Break from Slump

Existing home sales emerged, at least temporarily, out of a prolonged slump last month, and weren't even shy about it. The National Association of Realtors® (NAR) said seasonally adjusted annual sales of preowned single-family houses, townhomes, condos, and cooperative apartments hit a seasonally adjusted annual rate of 4.58 million units compared to 4.0 million in January. **The 14.5 percent monthly increase snapped a 12-month losing streak** and was the largest one-month gain since the 22.4 percent increase in July 2020.

Existing Home Sales



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Single-family home sales performed even better, rising from 3.59 million units in January to 4.14 million, a 15.3 percent increase. Condo and coop sales grew by 30,000 units to 440,000.

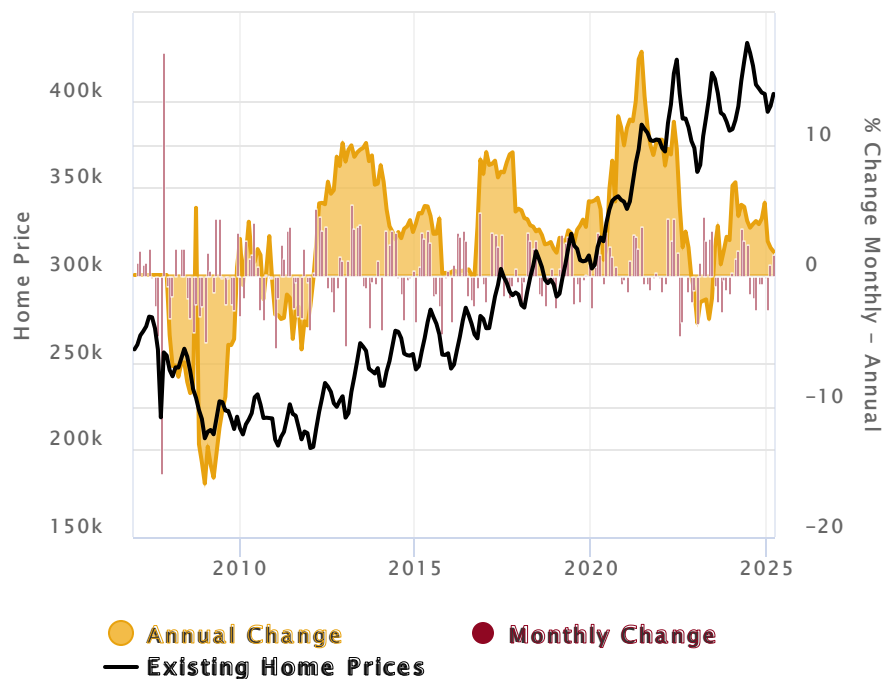
The February increases, however, **fell far short of restoring sales to their levels a year earlier**. Total sales remained down 22.6 percent compared to the 5.92 million unit rate in February 2022. Single-family sales were 21.4 percent and condo sales 32.3 percent lower on an annual basis.

Analysts had expected sales to break out of their long slide, but they underestimated the degree to which it would happen. Trading Economics had an analyst consensus of 4.2 million, which would have been a 5 percent increase. Econoday predicted 4.17 million units.

“Conscious of changing mortgage rates, home buyers are taking advantage of any rate declines,” said NAR Chief Economist Lawrence Yun. “Moreover, we’re seeing stronger sales gains in areas where home prices are decreasing, and the local economies are adding jobs.”

The median existing-home sales price decreased 0.2 percent from the previous year to \$363,000, ending a streak of 131 consecutive months of year-over-year increases, the longest on record. The single-family median slipped 0.7 percent to \$367,500. The median condo price, however, grew 2.5 percent to \$321,000.

Existing Home Prices – Average



Inventories remain at historic lows with 980,000 units available at the end of February, unchanged from the prior month. This is an estimated 2.6 months' supply at the current monthly sales pace. In February 2022 the inventory contained 850,000 homes sufficient for 1.7 months. Yun said this short supply is resulting in the return of multiple offers on a good number of properties.

First-time buyers accounted for 27 percent of the month's sales, dropping from 31 percent in January and 29 percent in February 2022. Individual investors or second-home buyers, who make up many cash sales, purchased 18 percent of homes in February, and 28 percent of sales were all-cash.

Properties typically remained on the market for 34 days in February, up from 33 days in January and 18 days in February 2022. Fifty-seven percent of homes sold in February were on the market for less than a month.

All four major regions posted substantial monthly gains, while lagging behind their February 2022 numbers. The rate of 520,000 sales in the **Northeast** was a 4.0 percent increase compared to January, but 25.7 percent lower year-over-year. The median home price in the Northeast was \$366,100, down 4.5 percent from the prior February.

In the **Midwest**, existing-home sales grew 13.5 percent to 1.09 million in February, 18.7 percent lower than the prior February. The median price rose 5.0 percent to \$261,200.

Existing-home sales in the **South** rebounded 15.9 percent to an annual rate of 2.11 million, a 21.3 percent decrease from the prior year. The median price was \$342,000, 2.7 percent higher in a year.

The **West**, saw sales rocket 19.4 percent to 860,000, still falling short of the performance in February 2022 by 28.3 percent. The median price in the region retreated 5.6 percent to \$541,100.