



## Existing Home Sales Fade Further

Existing home sales achieved their lowest annual level in ten years in September, and now appear to have doubled down. The National Association of Realtors® (NAR) said sales of pre-owned single-family homes, townhouses, condominiums, and cooperative apartments **fell another 4.1 percent in October** to an annual rate of 3.79 million homes. This is **14.6 percent below the 4.44 million level of sales in October 2022**.

**Single-family home sales** decreased to a seasonally adjusted annual rate of 3.38 million, a 4.2 percent decline from 3.53 million in September. Condo/co-op sales fared slightly better, slipping only 2.4 percent month-over-month to an annual rate of 410,000 units. Both single-family and condo/co-op sales were 14.6 percent lower than the same month last year.

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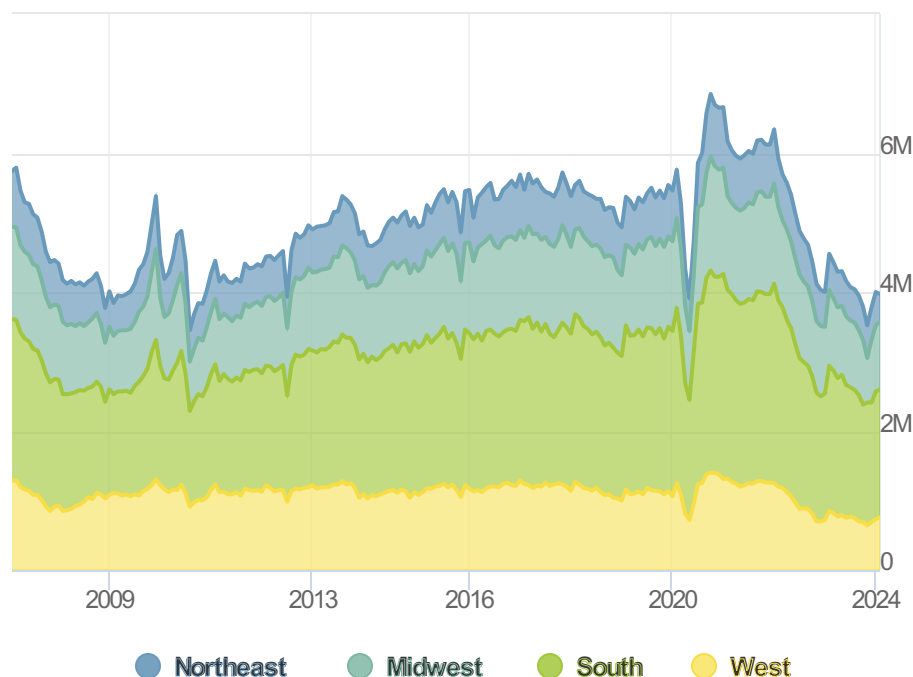
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### Existing Home Sales



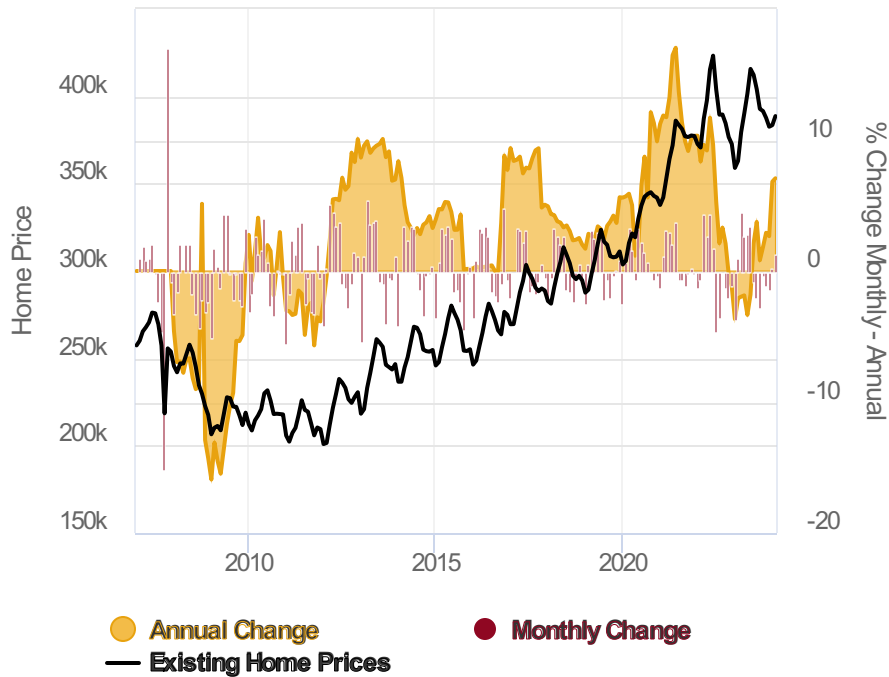
Analysts had expected a less drastic decrease from the 3.95 million level of sales in September. Both *Econoday* and *Trading Economics* had consensus estimates of 3.9 million.

"Prospective home buyers experienced another difficult month due to the persistent lack of housing inventory and the highest mortgage rates in a generation," said NAR Chief Economist Lawrence Yun. "Multiple offers, however, are still occurring, especially on starter and mid-priced homes, even as price concessions are happening in the upper end of the market."

There were 1.15 million housing units available for sale at the end of October. This is an increase of 1.8 percent from the previous month but 5.7 percent fewer homes than a year earlier. Unsold inventory sits at a 3.6-month supply at the current sales pace, up from 3.4 months in September and 3.3 months in October 2022.

Prices are holding up despite fading sales, moving higher for the 4th consecutive month. The median existing home price for all housing types in October was \$391,800, 3.4 percent higher than the \$378,800 median in October 2022. The median single-family home price appreciated 3.0 percent to \$396,100 and the median condo price gained 7.6 percent to \$356,000.

### Existing Home Prices - Average



"While circumstances for buyers remain tight, home sellers have done well as prices continue to rise year-over-year, including a new all-time high for the month of October," Yun said. "In fact, a typical homeowner has accumulated more than \$100,000 in housing wealth over the past three years."

NAR said properties typically remained on the market for 23 days in October, up from 21 days in both September and the prior October. Sixty-six percent of homes sold last month were on the market for less than 30 days.

First-time buyers accounted for 28 percent of October sales and individual investors, or second-home buyers had a 15 percent share. Twenty-nine percent of sales were cash purchases. Only 2.0 percent of sales were considered distressed, that is short sales or foreclosures.

Regional data reflected the downturn in sales and rising home prices. Existing home sales in the **Northeast** dipped 4.0 percent from September to an annual rate of 480,000 units and were 15.8 percent lower year-over-year. The median price grew 7.5 percent to \$439,200.

Sales in the **Midwest** held steady at an annual rate of 930,000 units but were 13.9 percent lower than in October 2022. The median price in the Midwest was \$285,100, an annual increase of 4.2 percent.

Existing home sales in the **South** retrenched by 7.1 percent from September to an annual rate of 1.69 million, 14.6 percent lower on an annual basis. The median price was up 3.5 percent to \$357,700.

In the **West**, existing home sales decreased 1.4 percent and 14.8 percent from the two earlier periods to an annual rate of 690,000 units. The median price rose 2.3 percent to 602,200.

Yun said a three-week easing of mortgage rates has stirred up buying interest. "Though limited now, expect housing inventory to improve after this winter and heading into the spring. More inventory will result in more home sales," he said.