



Existing Home Sales: Is the Market Shifting Toward Buyers?

Existing home sales fell in June, but the **median sales price hit a record high as it had also done in May**. The National Association of Realtors® said sales of previously owned single-family houses, townhouses, condominiums, and cooperative apartments receded by 5.4 percent compared both to May and sales in June 2023.

Total sales were at a seasonally adjusted annual rate of 3.89 million units. Annual sales in the two earlier periods were at the rate of 4.11 million.

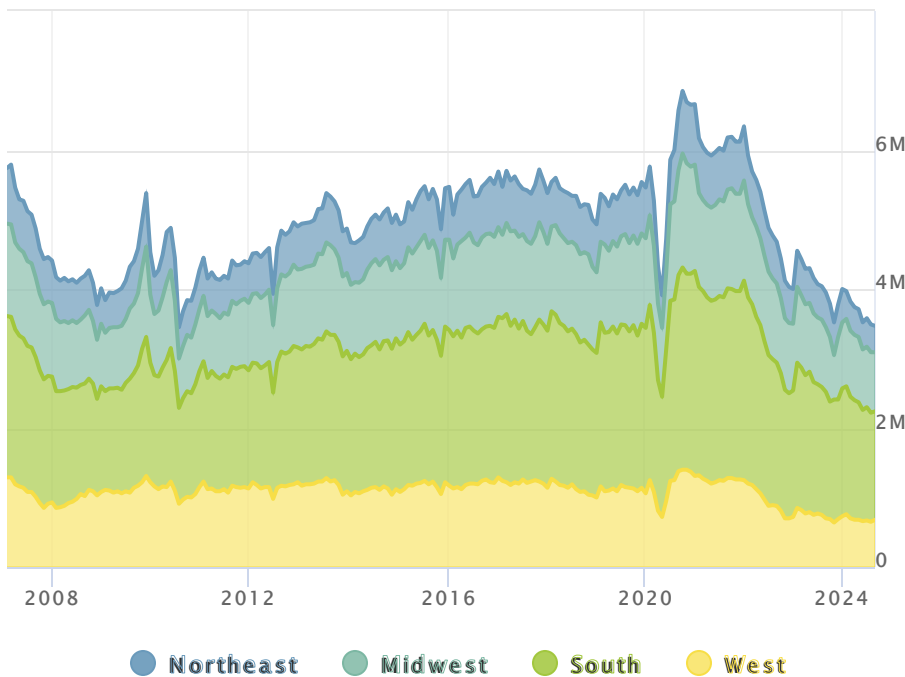
Single-family home sales dropped 5.1 percent from May to a rate of 3.52 million in June and were **4.3 percent lower than a year earlier**. The annual rate of existing condominium and co-op sales, estimated at 370,000 units, was 7.5 percent lower than the May number and 14 percent below the 430,000 sales posted a year earlier.



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Existing Home Sales



Home sales just missed the bottom of the range of forecasts from analysts polled by *Econoday*. Those estimates ranged from 3.90 million to 4.25 million with a consensus of 4.0 million.

“We’re seeing a **slow shift from a seller’s market to a buyer’s market**,” said NAR Chief Economist Lawrence Yun. “Homes are sitting on the market a bit longer, and sellers are receiving fewer offers. More buyers are insisting on home inspections and appraisals, and inventory is definitively rising on a national basis.”

Clearly, the shift to a buyers' market is not yet complete as prices continue to rise. The median sales price for all housing types in June was \$426,900, an all-time high and an increase of 4.1 percent from the June 2023 median of \$410,100. **Single-family home prices were also up 4.1 percent to \$432,700.** The increase in condo prices was more modest, 2.6 percent, resulting in a median of \$371,700.

Existing Home Prices - Average



Inventories continued to rise but remain far below what is considered a balanced buyer/seller market. There were 1.32 million units for sale at the end of June, 3.1 percent more than in May and representing 23.4 percent annual growth. The unsold inventory is considered a 4.1-month supply at the current sales pace. Inventory was at 3.7 months in May and 3.1 months in June 2023. The last time unsold inventory posted a four-month supply was 4.6 months in May 2020.

“Even as the median home price reached a new record high, further large accelerations are unlikely,” Yun added. “Supply and demand dynamics are nearing a balanced market condition. The month’s supply of inventory reached its highest level in more than four years.”

First-time buyers were responsible for 29 percent of sales in June, down from 31 percent in May but up from 27 percent in June 2023. Individual investors or second home buyers accounted for 16 percent of purchases and all-cash sales for 28 percent.

Existing home sales on a regional level were all down from one month and one year earlier while prices all moved higher. Sales in the **Northeast** in June dipped 2.1 percent from May to an annual rate of 470,000, a decline of 6 percent from June 2023. The median price was \$521,500, a 9.7 percent rise year-over-year.

In the **Midwest**, existing home sales decreased 8 percent from one month ago to an annual rate of 920,000 units which was 6.1 below the prior June. The median price rose 5.5 percent to \$327,100.

Sales in the **South** slid 5.9 percent for the month to an annual rate of 1.76 million. This was an annual decline of 6.9 percent. A 1.7 percent increase put the median price in the South at \$373,000.

The **Western** region saw existing home sales decline 2.6 percent from May to an annual rate of 740,000, identical to a year ago. The median price of \$629,800 represented appreciation of 3.5 percent.

