



A message from Marc Erickson:

*For informational purposes only. This is not a commitment to lend or extend credit. Information and/or dates are subject to change without notice. All loans are subject to credit approval. Rates vary based upon market conditions and borrower qualification.*

## Did Rates Have Anything to do With Big Surge in Home Sales?

New home sales surged in August, breaking a two-year stretch of range-bound activity. The Census Bureau and HUD reported a seasonally adjusted annual rate of **800,000**, up 20.5% from July's revised 664,000 and 15.4% above August 2024's 693,000. This is the strongest monthly gain since the pandemic boom and a clear departure from the prior sideways trend. The only caveat is that this data series is notorious for wide margins of error and revisions.

For-sale inventory fell to **490,000**, down 1.4% from July and 4.0% higher than a year ago. At the current sales pace, that represents a **7.4-month supply**, a sharp drop from July's 9.0 months and nearly 10% below August 2024. It is normal for inventory to move lower when sales increase, all else equal.

Prices moved higher with the sales surge. The median sales price climbed to **\$413,500** (+4.7% MoM; +1.9% YoY), while the average price jumped to **\$534,100** (+11.7% MoM; +12.3% YoY). The share of \$1 million-plus homes rose to roughly 7% of total sales, double July's level, helping lift the average.

- **Regional Sales (MoM):** Northeast +72.2%, Midwest +12.7%, South +24.7%, West +5.6%
- **Stage of Construction:** Not started 96,000; under construction 290,000; completed 414,000
- **Median months on market (completed):** 2.7

On a qualitative note, the huge move in home sales may raise questions about whether the recent rally in interest rates played a role. While there is broad connection between rates and sales at times, it never has an impact that quickly. After all, this sales data is for the month of August, and rates didn't make their big move until September.



**Ehric Wolfe**

REALTOR®, Coldwell  
Banker Realty

[www.coloradowolfhomes.com](http://www.coloradowolfhomes.com)

P: (970) 691-5299

ehric@coloradowolfhomes.com

3665 John F Kennedy Parkway  
Fort Collins CO 80525



**Marc Erickson**

Mortgage Guide, Excel  
Financial Group, LLC

[www.themortgagemarc.com](http://www.themortgagemarc.com)

P: (720) 295-0704

M: (720) 295-0704

123 N College Avenue  
Fort Collins CO 80524  
1245157



