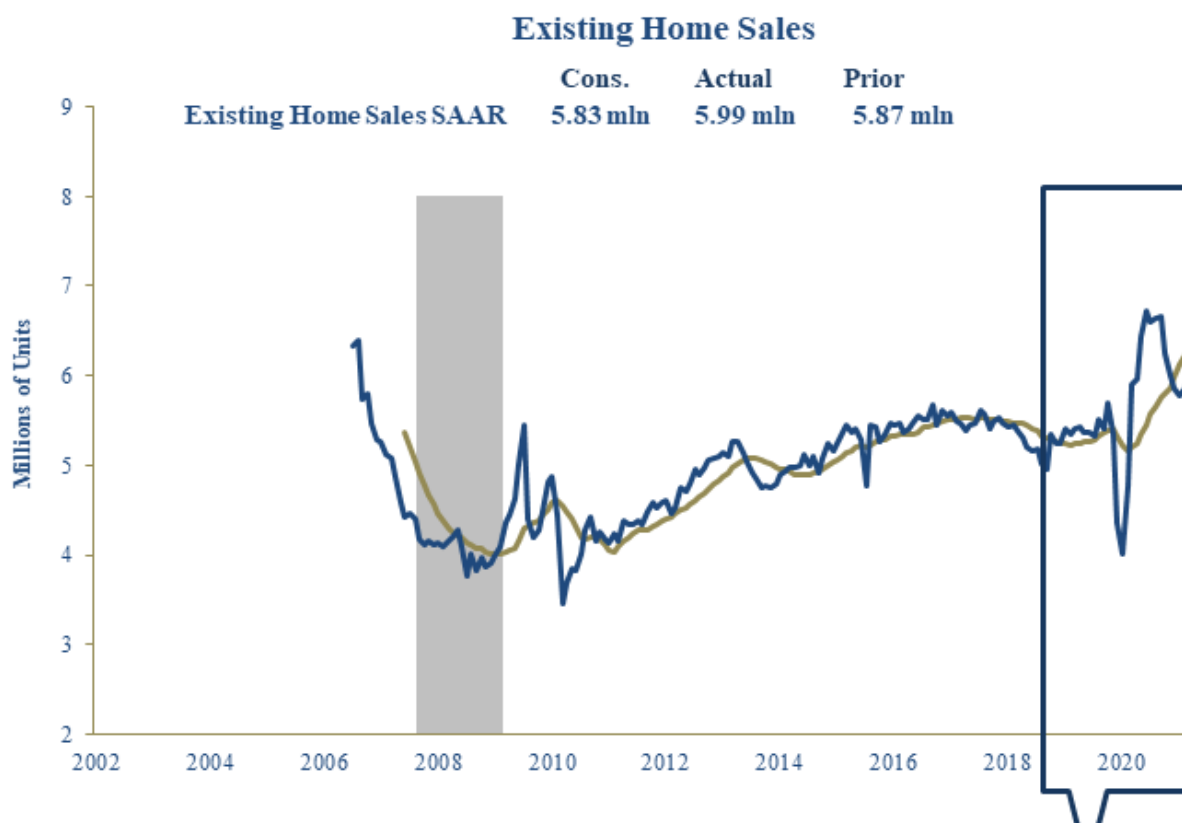
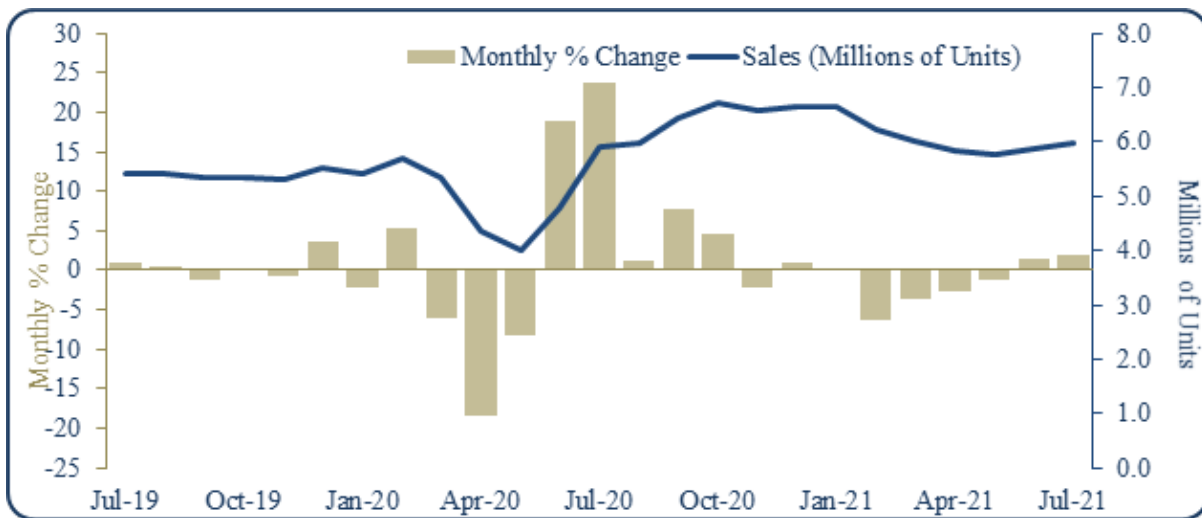


23.Aug.2021

Existing Home Sales: Surprise Rebound, Trend Still Decelerating

Bottom Line: Sales rebounded in July, beating expectations for a slight decline as inventory increased modestly, easing the tight supply conditions slightly. Month's supply increased to 2.64 months, up from an average of just 1.9 months in 2020 but still well below a "normal" six-month level. The average sales price eased slightly, down to 378k, as the composition of sales skewed slightly towards lower-priced homes in July. The trend in home prices remains higher. And the trend in sales also remains higher but is decelerating modestly as affordability remains a major issue for many homebuyers, even with sub-3% mortgage rates in many cases. Overall, the housing market remains tight, but the pace of activity has decelerated, suggesting the housing tailwind for GDP growth will be notably lower in the 2nd Half of 2021.





Existing Home Sales ROSE by 2.0% in July to 5.99 million, compared with market expectations for a decline to 5.83 million. The prior month was revised up from 5.86 to 5.87 million.

Home re-sales are now 1.5% ABOVE their year-ago level.

The Inventory of Homes Available for Sale ROSE by 7.3% to 1,320k but are still 12.0% BELOW their year-ago level. Because inventories increased while sales increased, the Months Supply ROSE to 2.6 months from 2.5 months. This is BELOW the 6 month level that is considered 'normal'.

Home Prices ROSE compared to their year-ago levels. Average home prices are 12.0% ABOVE their year-ago levels while median home prices are 17.8% ABOVE their year-ago levels.

Total Existing Home Sales

Existing Home Months' Supply



Median Existing Home Price



	Monthly				Average for						
	Jul-21	Jun-21	May-21	Apr-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Existing Home Sales (millions)	5.99	5.87	5.78	5.85	5.88	5.96	6.23	6.65	5.51	5.65	5.29
<i>prior report</i>		5.86	5.78	5.85							
(percent change)	2.0	1.6	-1.2	-2.7							
(year-on-year percent change)	1.5	23.1	44.1	33.9				20.7	10.0		
Inventory (thousands)	1,320	1,230	1,210	1,150	1,253	1,165	1,228	1,060	1,390	1,418	1,672
(percent change)	7.3	1.7	5.2	9.5							
(year-on-year percent change)	-12.0	-20.1	-21.9	-21.2				-23.7	-9.2		
Months' Supply	2.64	2.51	2.5	2.4	2.6	2.4	2.4	1.9	3.0	3.1	3.9
Average Sales Price (\$000)	378.7	381.2	371.7	364.1	377.2	365.2	353.6	342.0	311.0	302.0	271.8
(year-on-year percent change)	12.0	15.9	16.9	13.4				10.0	5.9		
Median Sales Price (\$000)	359.9	362.8	350.4	340.6	357.7	341.8	325.8	309.2	274.5	263.6	229.0
(year-on-year percent change)	17.8	23.2	23.6	18.8				12.6	7.8		

Source: National Association of Realtors via Bloomberg. Our calculations.

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T.J. Connelly, Head of Research

August 23, 2021

Steven A. Wood, Senior Economic Adviser

Single-Family Existing Home Sales:

SINGLE-FAMILY EXISTING	Monthly				Average for						
	Jul-21	Jun-21	May-21	Apr-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Single Family Home Sales (Mil)	5.28	5.14	5.07	5.13	5.16	5.24	5.52	4.75	4.74	4.79	4.53
(percent change)	2.7	1.4	-1.2	-3.2							
(year-on-year percent change)	-0.8	19.3	38.9	28.9				0.3	0.0		
Inventory (thousands)	1,140	1,060	1,040	980	1,080	997	1,043	880	1,210	1,234	1,464
(percent change)	7.5	1.9	6.1	10.1							
(year-on-year percent change)	-12.3	-20.9	-23.5	-24.0				-27.3	-9.7		
Months' Supply	2.6	2.5	2.5	2.3	2.5	2.3	2.3	2.2	3.1	3.1	4.0
Average Sales Price (\$000)	383.6	386.1	375.9	367.5	381.9	369.2	357.4	308.2	297.6	293.4	266.7
(year-on-year percent change)	12.5	16.5	17.5	14.1				3.6	0.0		
Median Sales Price (\$000)	367.0	370.1	356.8	346.2	364.6	347.8	331.1	272.3	259.5	254.5	223.8
(year-on-year percent change)	18.6	24.2	24.5	19.9				5.0	0.0		

Source: National Association of Realtors via Bloomberg. Our calculations.

Existing Single Family Home Sales



Existing Single Family Home Months' Supply



Median Existing Single Family Home Price

