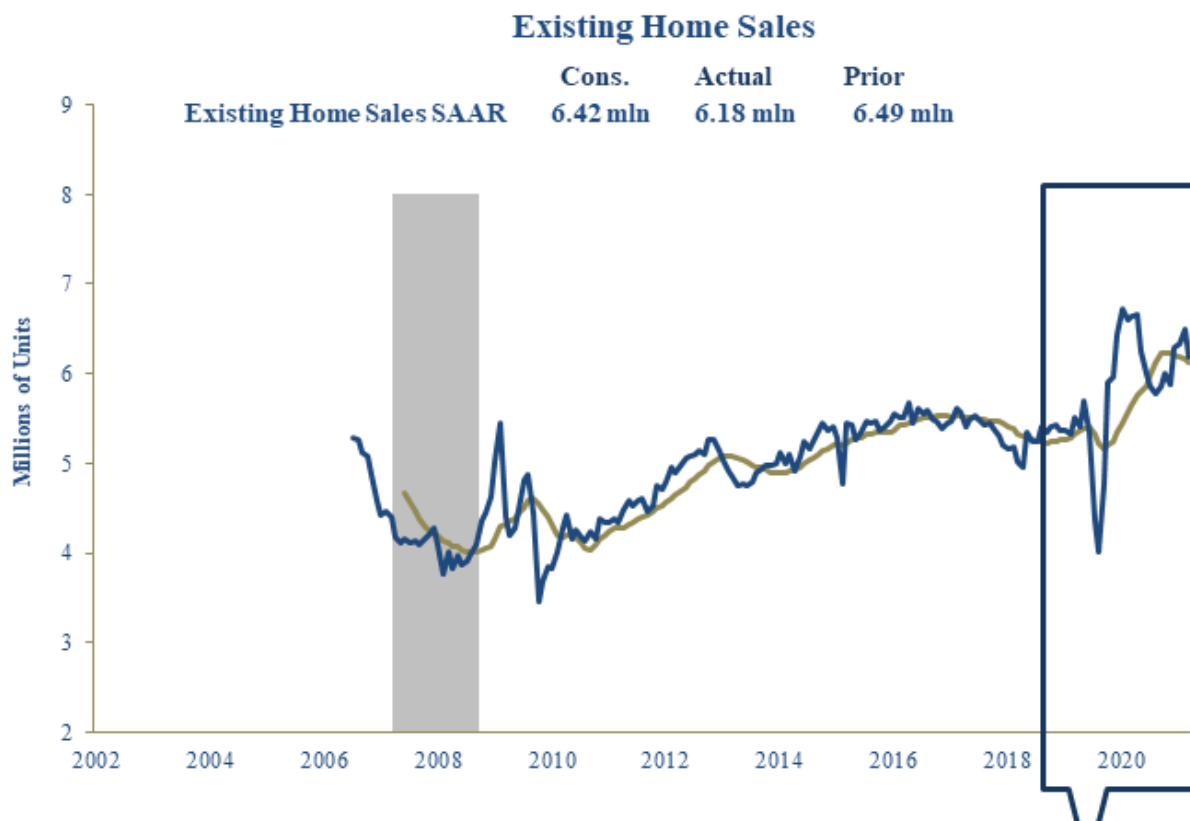
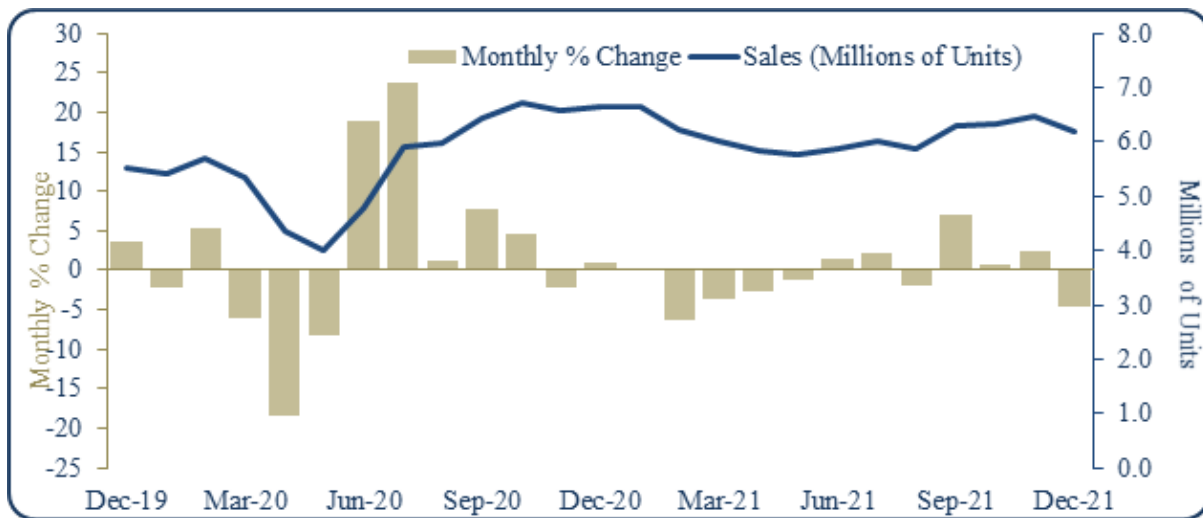


20.Jan.2022

Existing Home Sales: Slower To Close '21

Bottom Line: Existing home sales fell more than expected in December as mortgage rates started to rise. Most of the increase in mortgage rates came in January. And so far, mortgage applications for purchases have been holding up as potential buyers jump in, hoping to avoid even higher mortgage rates (see our mortgage application write-up [here](#)). This existing home sales report shows that overall activity remained robust, if modestly slower, amid early signs of higher mortgage rates but continued tight supply. Overall, housing looks to have added modestly to 4th Quarter GDP after dragging on growth in the prior two quarters. Looking forward, it appears that housing could still add slightly to growth in the first half of this quarter, but beyond that, the impact of higher rates will likely see it having a slightly negative contribution to GDP.



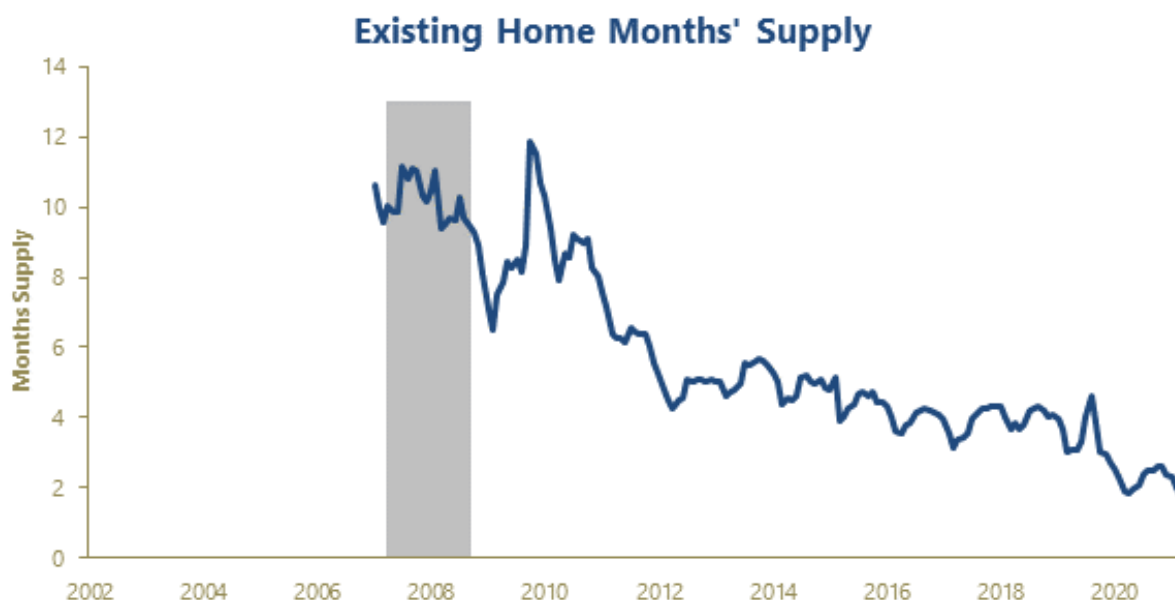


Existing Home Sales FELL by 4.8% in December to 6.18 million, compared with market expectations for a decline to 6.42 million. The prior month was revised up from 6.46 to 6.49 million. Home re-sales are now 8.3% BELOW their year-ago level.

The Inventory of Homes Available for Sale FELL by 17.1% to 920k and are now 13.2% BELOW their year-ago level. Because inventories declined while sales declined, the **Months Supply** FELL to 1.8 months from 2.1 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 8.8% ABOVE their year-ago levels while median home prices are 14.6% ABOVE their year-ago levels.

Total Existing Home Sales



Median Existing Home Price



	Monthly				Average for						
	Dec-21	Nov-21	Oct-21	Sep-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Existing Home Sales (millions)	6.18	6.49	6.34	6.29	6.34	6.20	6.13	6.65	5.51	5.65	5.29
<i>prior report</i>		6.46	6.34	6.29							
(percent change)	-4.6	2.4	0.8	7.0							
(year-on-year percent change)	-8.3	-1.5	-5.8	-2.3				20.7	10.0		
Inventory (thousands)	920	1,110	1,230	1,260	1,087	1,185	1,151	1,060	1,390	1,418	1,672
(percent change)	-17.1	-9.8	-2.4	-1.6							
(year-on-year percent change)	-13.2	-13.3	-13.4	-13.7				-23.7	-9.2		
Months' Supply	1.79	2.05	2.3	2.4	2.1	2.3	2.3	1.9	3.0	3.1	3.9
Average Sales Price (\$000)	372.2	373.1	372.2	371.4	372.5	374.0	366.2	342.0	311.0	302.0	271.8
(year-on-year percent change)	8.8	8.8	8.0	8.2				10.0	5.9		
Median Sales Price (\$000)	354.3	354.4	352.7	351.2	353.8	355.0	343.7	309.2	274.5	263.6	229.0
(year-on-year percent change)	14.6	14.0	12.7	12.7				12.6	7.8		

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

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T.J. Connelly, Head of Research

January 20, 2022

Steven A. Wood, Senior Economic Adviser

Single-Family Existing Home Sales:

Existing Single Family Home Sales



SINGLE-FAMILY EXISTING

	Monthly				Average for						
	Dec-21	Nov-21	Oct-21	Sep-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Single Family Home Sales (Mil)	5.44	5.78	5.66	5.59	5.63	5.49	5.42	4.75	4.74	4.79	4.53
(percent change)	-5.9	2.1	1.3	7.7							
(year-on-year percent change)	-8.1	-1.7	-5.8	-3.1				0.3	0.0		
Inventory (thousands)	790	960	1,070	1,090	940	1,025	988	880	1,210	1,234	1,464
(percent change)	-17.7	-10.3	-1.8	-1.8							
(year-on-year percent change)	-10.2	-11.1	-10.8	-11.4				-27.3	-9.7		
Months' Supply	1.7	2.0	2.3	2.3	2.0	2.2	2.2	2.2	3.1	3.1	4.0
Average Sales Price (\$000)	375.8	377.6	376.7	375.7	376.7	378.4	370.3	308.2	297.6	293.4	266.7
(year-on-year percent change)	8.8	9.0	8.2	8.4				3.6	0.0		
Median Sales Price (\$000)	360.3	361.3	359.5	357.9	360.4	361.7	349.8	272.3	259.5	254.5	223.8
(year-on-year percent change)	14.9	14.5	13.1	13.3				5.0	0.0		

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

