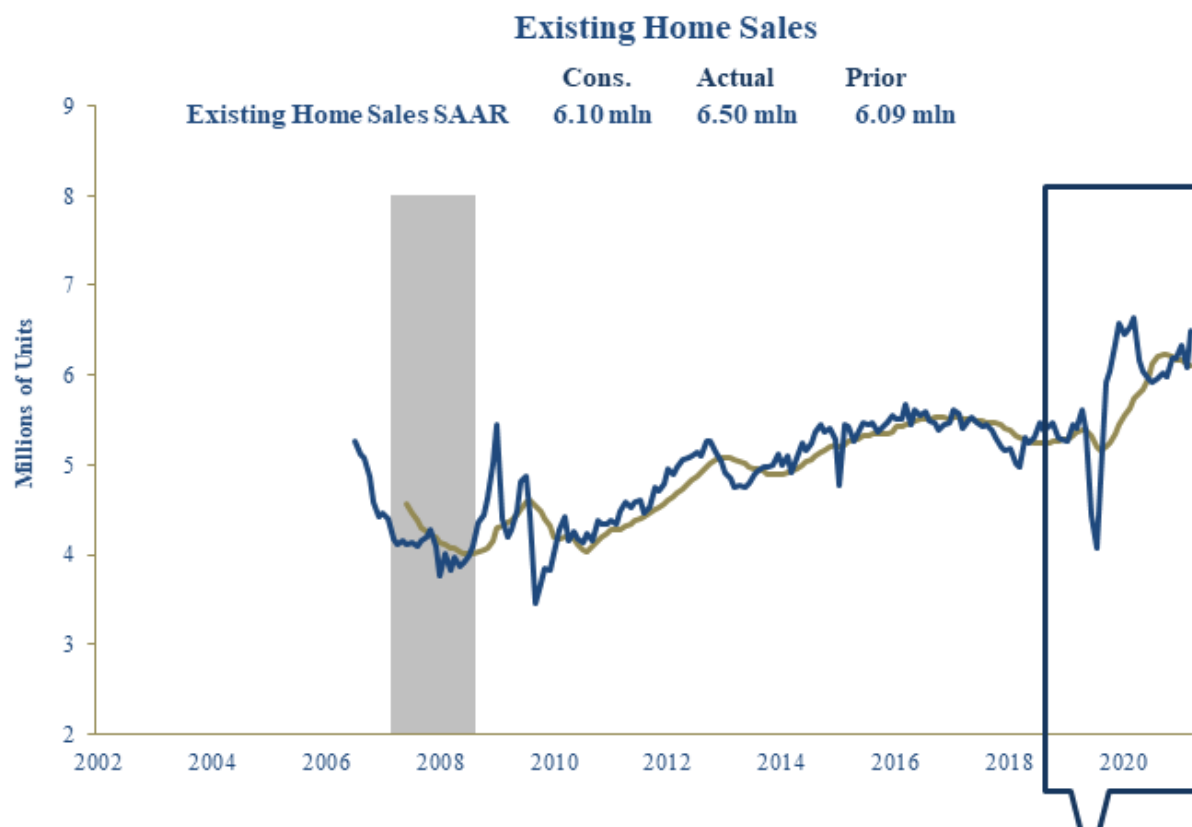
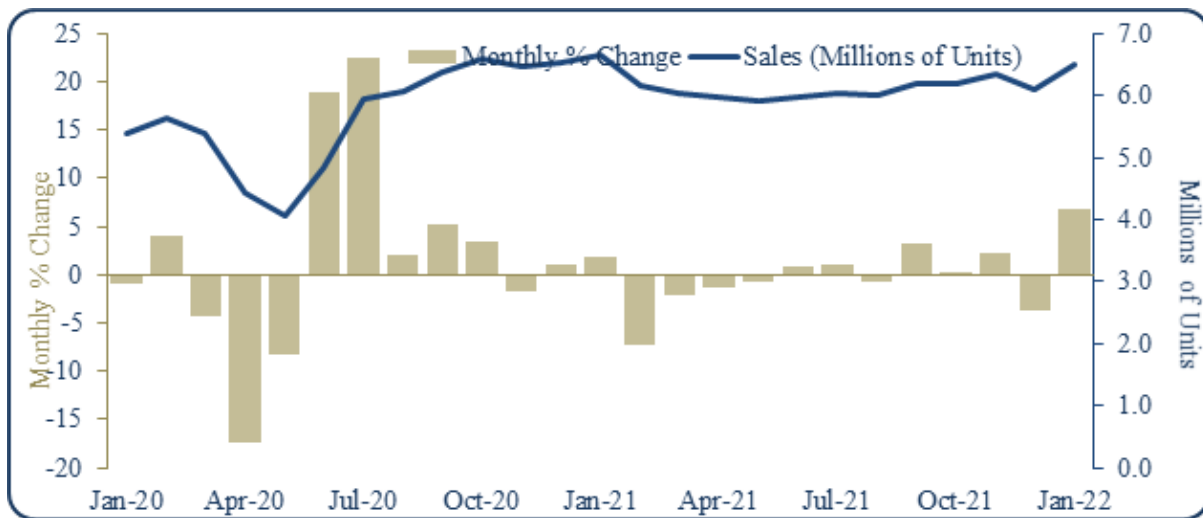


18.Feb.2022

Existing Home Sales: Uptick As Buyers Feared Higher Rates

Bottom Line: Existing home sales rose in January, surprising expectations for a further decline. As seen in mortgage application data, it appears that sidelined buyers responded to the increase in mortgage rates (especially swift in January) by closing deals, fearing even higher rates in the future as news of potential Fed rate hikes spread. Overall, this confirms that housing activity will likely continue to add modestly to 1st Quarter GDP. But the outlook beyond that remains less sanguine as rates have moved higher still and mortgage application data suggests a notable slowdown in recent weeks. Still, inventories remain very thin, suggesting home price trends will remain modestly upward even amid higher mortgage rates.



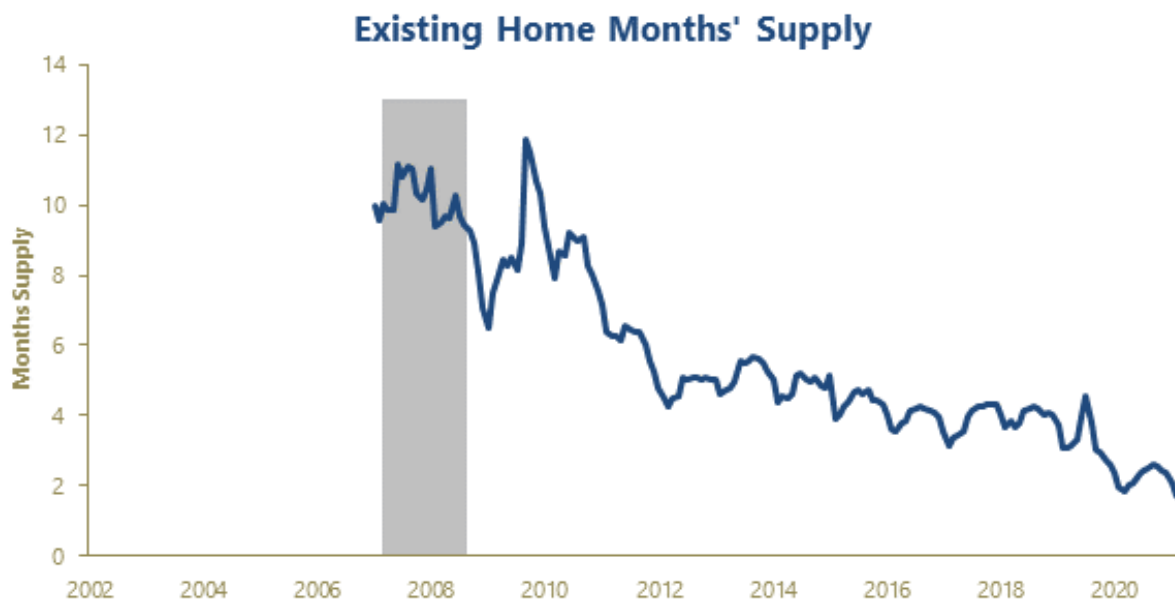


Existing Home Sales ROSE by 6.7% in January to 6.50 million, compared with market expectations for an increase to 6.10 million. The prior month was revised down from 6.18 to 6.09 million. Home re-sales are now 2.3% BELOW their year-ago level.

The Inventory of Homes Available for Sale FELL by 2.3% to 860k and are now 16.5% BELOW their year-ago level. Because inventories declined while sales increased, the **Months Supply** FELL to 1.6 months from 1.7 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 9.1% ABOVE their year-ago levels while median home prices are 15.4% ABOVE their year-ago levels.

Total Existing Home Sales



Median Existing Home Price



	Monthly				Average for						
	Jan-22	Dec-21	Nov-21	Oct-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Existing Home Sales (millions)	6.50	6.09	6.33	6.19	6.31	6.21	6.11	6.53	5.45	5.62	5.27
<i>prior report</i>		6.18	6.49	6.34							
(percent change)	6.7	-3.8	2.3	0.2							
(year-on-year percent change)	-2.3	-6.7	-2.0	-5.9				19.8	8.8		
Inventory (thousands)	860	880	1,110	1,230	950	1,103	1,133	1,060	1,390	1,418	1,672
(percent change)	-2.3	-20.7	-9.8	-2.4							
(year-on-year percent change)	-16.5	-17.0	-13.3	-13.4				-23.7	-9.2		
Months' Supply	1.59	1.73	2.1	2.4	1.8	2.1	2.2	1.9	3.1	3.1	3.9
Average Sales Price (\$000)	368.7	373.1	373.1	372.0	371.6	372.5	368.8	342.0	311.0	302.0	271.8
(year-on-year percent change)	9.1	9.1	8.8	7.9				10.0	5.9		
Median Sales Price (\$000)	350.3	354.6	354.3	352.5	353.1	353.4	347.6	309.2	274.5	263.6	229.0
(year-on-year percent change)	15.4	14.7	14.0	12.6				12.6	7.8		

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

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T.J. Connelly, Head of Research

February 18, 2022

Steven A. Wood, Senior Economic Adviser

Single-Family Existing Home Sales:

Existing Single Family Home Sales



SINGLE-FAMILY EXISTING

	Monthly				Average for						
	Jan-22	Dec-21	Nov-21	Oct-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Single Family Home Sales (Mil)	5.76	5.41	5.63	5.50	5.60	5.51	5.41	4.75	4.74	4.79	4.53
(percent change)	6.5	-3.9	2.4	0.4							
(year-on-year percent change)	-2.4	-6.7	-2.3	-6.1				0.3	0.0		
Inventory (thousands)	750	760	960	1,070	823	957	976	880	1,210	1,234	1,464
(percent change)	-1.3	-20.8	-10.3	-1.8							
(year-on-year percent change)	-13.8	-13.6	-11.1	-10.8				-27.3	-9.7		
Months' Supply	1.6	1.7	2.0	2.3	1.8	2.1	2.2	2.2	3.1	3.1	4.0
Average Sales Price (\$000)	372.7	377.3	377.6	376.7	375.9	376.9	373.0	308.2	297.6	293.4	266.7
(year-on-year percent change)	9.2	9.2	9.0	8.2				3.6	0.0		
Median Sales Price (\$000)	357.1	361.3	361.3	359.5	359.9	360.3	354.0	272.3	259.5	254.5	223.8
(year-on-year percent change)	15.9	15.2	14.5	13.1				5.0	0.0		

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

