

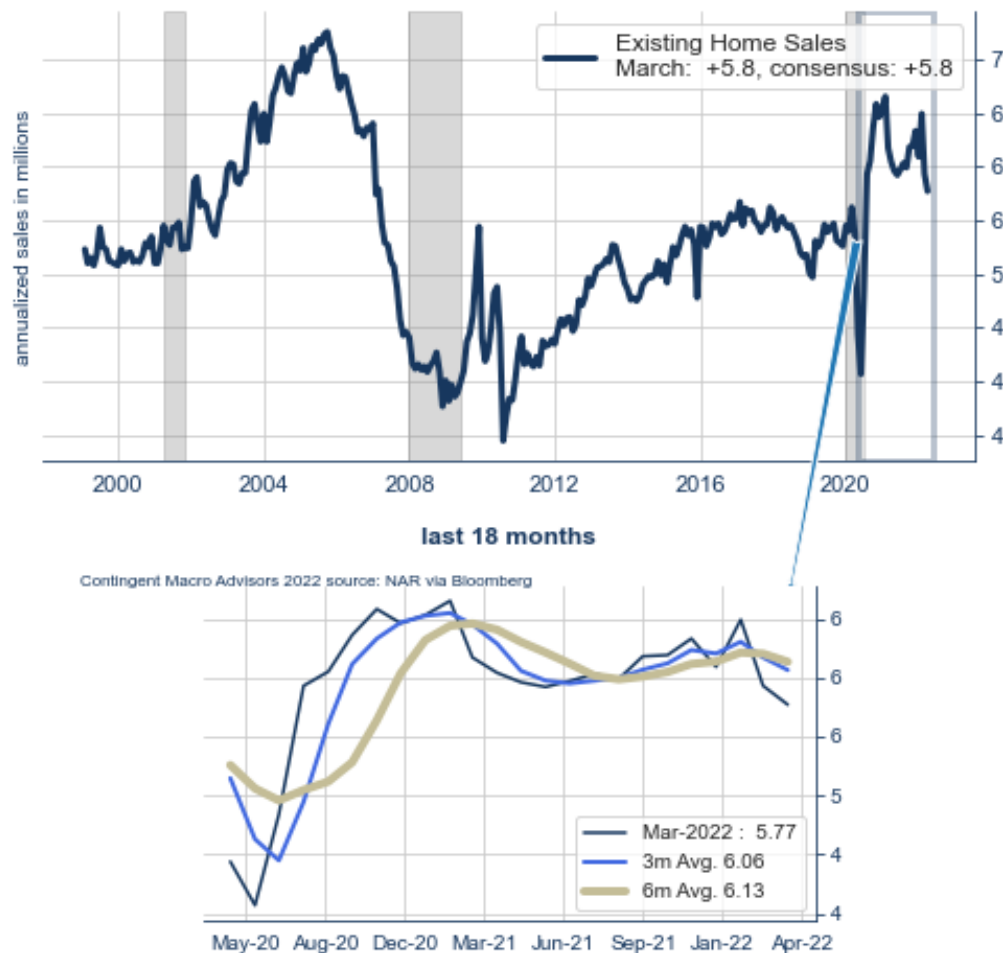
20.Apr.2022

Existing Home Sales: Further Slowdown As Rates Rose

Bottom Line: Existing home sales fell in March, and February sales proved even lower than previously reported as mortgage rates rose sharply in the latter half of the 1st Quarter. While historically still low, inventories rose nearly 12% on the month with "months' supply" approaching two months, still below the five- and 10-year averages of 3.1 and 3.9 months, respectively. Nonetheless, the sales pace remains better than expected, given the sharp move higher in mortgage rates. 30% of buyers were first-timers, suggesting they are trying to lock in monthly payments even at today's mortgage rates, fearing higher rates to come. Homes continue to sell extremely fast, with the average home on the market for just 17 days and 87% of homes selling within a month. Overall, existing home sales have likely peaked until mortgage rates drop again, but so far, the level of activity remains historically robust amid tight supply conditions.

Existing Home Sales

March: +5.8, consensus: +5.8



Existing Home Sales FELL by 2.7% in March to 5.77 million, compared with market expectations for a decline to 5.77 million. The prior month was revised down from 6.50 to 5.93 million. Home re-sales are now 4.5% BELOW their year-ago level.

The Inventory of Homes Available for Sale ROSE by 11.8% to 950k but are still 9.5% BELOW their year-ago level. Because inventories increased while sales declined, the **Months Supply** ROSE to 2.0 months from 1.7 months. This is still well BELOW the 6-month level that is considered 'normal'.

Home Prices ROSE compared to their year-ago levels. Average home prices are 9.6% ABOVE their year-ago levels while median home prices are 15.0% ABOVE their year-ago levels.

Total Existing Home Sales

Existing Home Months' Supply



Median Existing Home Price



	Monthly				Average for						
	Mar-22	Feb-22	Jan-22	Dec-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Existing Home Sales (millions)	5.77	5.93	6.49	6.09	6.06	6.13	6.07	6.53	5.45	5.62	5.27
<i>prior report</i>		6.50	6.09	6.33							
(percent change)	-2.7	-8.6	6.6	-3.8				19.8	8.8		
(year-on-year percent change)	-4.5	-3.9	-2.4	-6.7							
Inventory (thousands)	950	850	850	880	883	978	1,109	1,060	1,390	1,418	1,672
(percent change)	11.8	0.0	-3.4	-20.7							
(year-on-year percent change)	-9.5	-17.5	-17.5	-17.0				-23.7	-9.2		
Months' Supply	1.98	1.72	1.6	1.7	1.8	1.9	2.2	1.9	3.1	3.1	3.9
Average Sales Price (\$000)	387.1	374.2	368.5	373.1	376.6	374.7	374.3	342.0	311.0	302.0	271.8
(year-on-year percent change)	9.6	9.4	9.1	9.1				10.0	5.9		
Median Sales Price (\$000)	375.3	359.3	350.0	354.6	361.5	357.7	355.7	309.2	274.5	263.6	229.0
(year-on-year percent change)	15.0	15.7	15.3	14.7				12.6	7.8		

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

Copyright © 2016 Contingent Macro Advisors, LLC. All rights reserved. Reproduction and/or redistribution are expressly prohibited. "Economic Advisory Service" is a registered trademark of Contingent Macro Advisors, LLC. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed.

T.J. Connelly, Head of Research

April 20, 2022

Steven A. Wood, Senior Economic Adviser

Single-Family Existing Home Sales:



SINGLE-FAMILY EXISTING

	Monthly				Average for						
	Feb-22	Jan-22	Dec-21	Nov-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Single Family Home Sales (Mil)	5.35	5.75	5.41	5.63	5.50	5.52	5.40	4.75	4.74	4.79	4.53
(percent change)	-7.0	6.3	-3.9	2.4							
(year-on-year percent change)	-2.2	-2.5	-6.7	-2.3				0.3	0.0		
Inventory (thousands)	760	740	760	960	753	897	966	880	1,210	1,234	1,464
(percent change)	2.7	-2.6	-20.8	-10.3							
(year-on-year percent change)	-12.6	-14.9	-13.6	-11.1				-27.3	-9.7		
Months' Supply	1.7	1.5	1.7	2.0	1.6	2.0	2.2	2.2	3.1	3.1	4.0
Average Sales Price (\$000)	374.4	372.4	377.3	377.6	374.7	375.7	375.4	308.2	297.6	293.4	266.7
(year-on-year percent change)	8.4	9.1	9.2	9.0				3.6	0.0		
Median Sales Price (\$000)	363.8	356.7	361.3	361.3	360.6	360.1	358.0	272.3	259.5	254.5	223.8
(year-on-year percent change)	15.5	15.8	15.2	14.5				5.0	0.0		

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

