



## Existing Home Sales (July) Surge Again as Housing Sector Extends Gains

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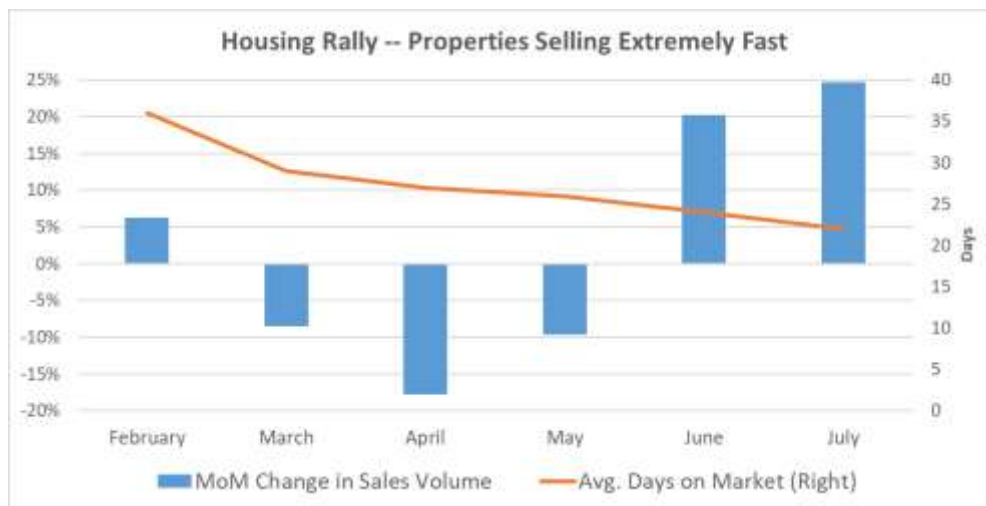
**Existing Home Sales jumped 24.7% MoM in July** (DE 10.2%; Consensus 14.6%) after a 20.2% rise in June. It was the largest monthly growth on record.

The growth was associated with an increase in the seasonally-adjusted annualized rate (SAAR) from **4.7 million units to 5.86 million** (DE 5.2 M; Consensus 5.4 M). **The indicator was up 8.7% YoY.**

### The Data – Median Price Reaches New High

- Prices for Existing Homes picked up across the country. The **Median Price** grew 8.5% YoY and **passed \$300 K for the first time.**
- Current Unsold **Supply would last 3.1 months, compared with 3.9 in the prior month.** Housing Inventory contracted 2.6% MoM and was down 21.1% YoY. Regarding homes that sold, **68% took under a month to sell.**
- **Second-Home Buyers contributed to 15% of the Sales,** a significant rise from 9% in June.
- Sales for **Single-Family Dwellings rose 23.9% MoM and 9.8% YoY.** Meanwhile, Sales for Condos and Co-ops increased 31.8% MoM to stand even on an annual basis.
- For the Northeast and West, Sales rose 30.6% and 30.5% MoM. In the Midwest and South, Sales grew 27.5% and 19.4% MoM. **The Northeast was the only region with Sales still down on annual terms (-5.9% YoY).**

Chart 1



Sources: National Association of Realtors, Decision Economics, Inc. (DE)

## **Perspectives – Limited Supply to Create Optimal Conditions for Builders**

The indicator is based on contract closings, creating a lag. Thus, the rally in July suggests a tremendous Sales push in June.

Low Mortgage Rates continue to entice buyers, but there are plenty of other factors at play. **Remote Work is enhancing the importance of housing and will continue to do so.**

Supply was already low, and buyers are moving on properties quicker to avoid coming out empty-handed. This is **further tightening inventories and pushing prices up.**

The **scene for builders should keep getting rosier**, as they can capitalize on supply imbalances. The bottom line is that **the Housing Sector is hot and should help lead the economic Recovery.**