

Existing Home Sales (March) Fall for Second Month

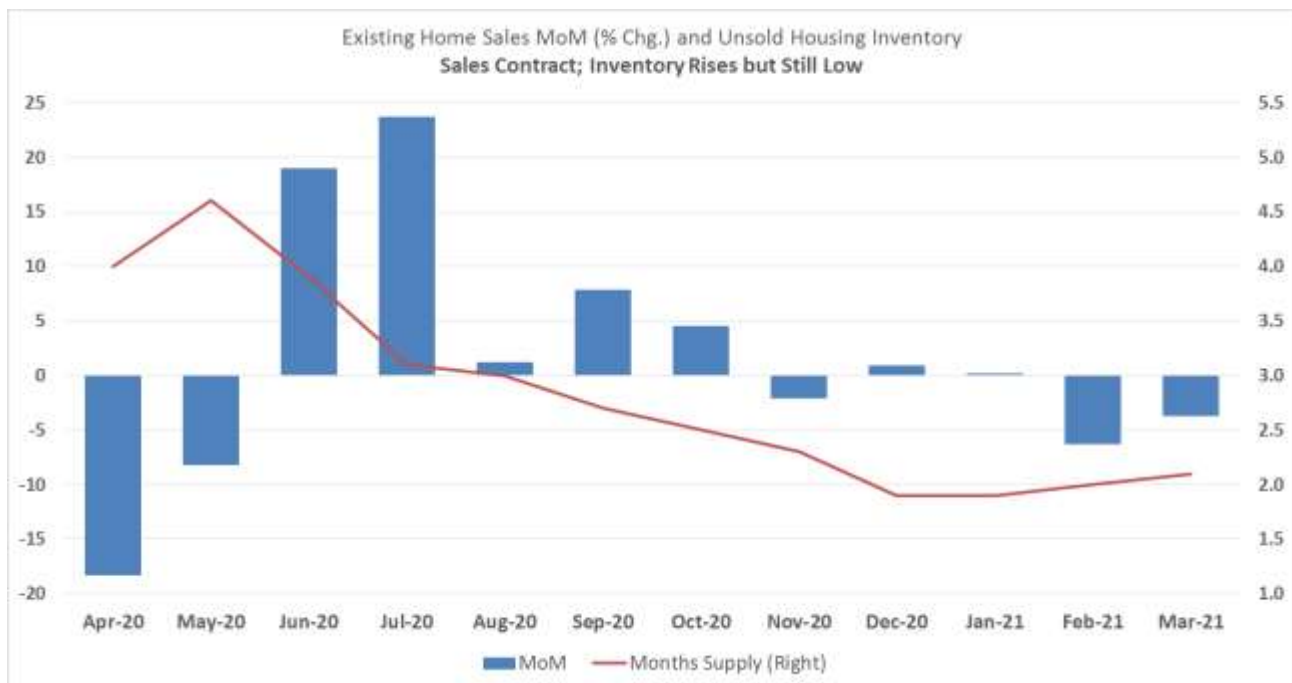
Rohan Kumar*

Existing Home Sales declined to a seasonally-adjusted annual rate of 6.01M in March (DE 6.15M, Consensus 6.11M) from a revised 6.24M in February (originally 6.22M). It marked a 3.7% decrease after a 6.3% fall. Annual growth in Sales moved to 12.3% YoY from 9.5% YoY.

Data – Sales Contract in All Four Geographic Regions

- **Housing Inventory** rose 3.9% but was down 28.2% YoY. With the current Sales trend, Inventory would last only 2.1 months.
- Of houses that sold, 83% were listed for under one month.
- **First-Time Buyers** accounted for 32% of Sales compared with a prior 31%. **Second-Home Buyers** made up 15% of Sales from a prior 17%.
- Under 1% of Sales were Foreclosures and Short Sales.
- Sales for **Single-Family Homes** fell 4.3% and were up 10.4% YoY. Condo and Co-op Sales increased 1.4% and were up 29.1% YoY.
- The West and South faced contractions of 8% and 2.9%. Sales fell 2.3% and 1.3% in the Midwest and Northeast.
- **The Median Price** rose 17.2% YoY.

Chart 1



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

Perspectives – Low Inventory and High Prices Persist

Existing Home Sales decreased more than DE and Consensus forecasts entailed.

Inventory is running far lower than before the Pandemic, and Prices are steep. This is challenging buyers, but demand is still solid. Though rising, Mortgage Rates remain accommodative.

Looking ahead, continued Reopenings and Employment gains will strengthen buyer confidence and spur more Housing demand.