

## **Datanote: US Existing Home Sales, March**

**In one line: This housing market recovery will be slow.**

- Existing home sales fell to 4.19M in April, from 4,38M, trivially below the consensus, 4,20M.

A significant fall in existing home sales always seemed very likely in March given that the near-10% surge in February was at odds

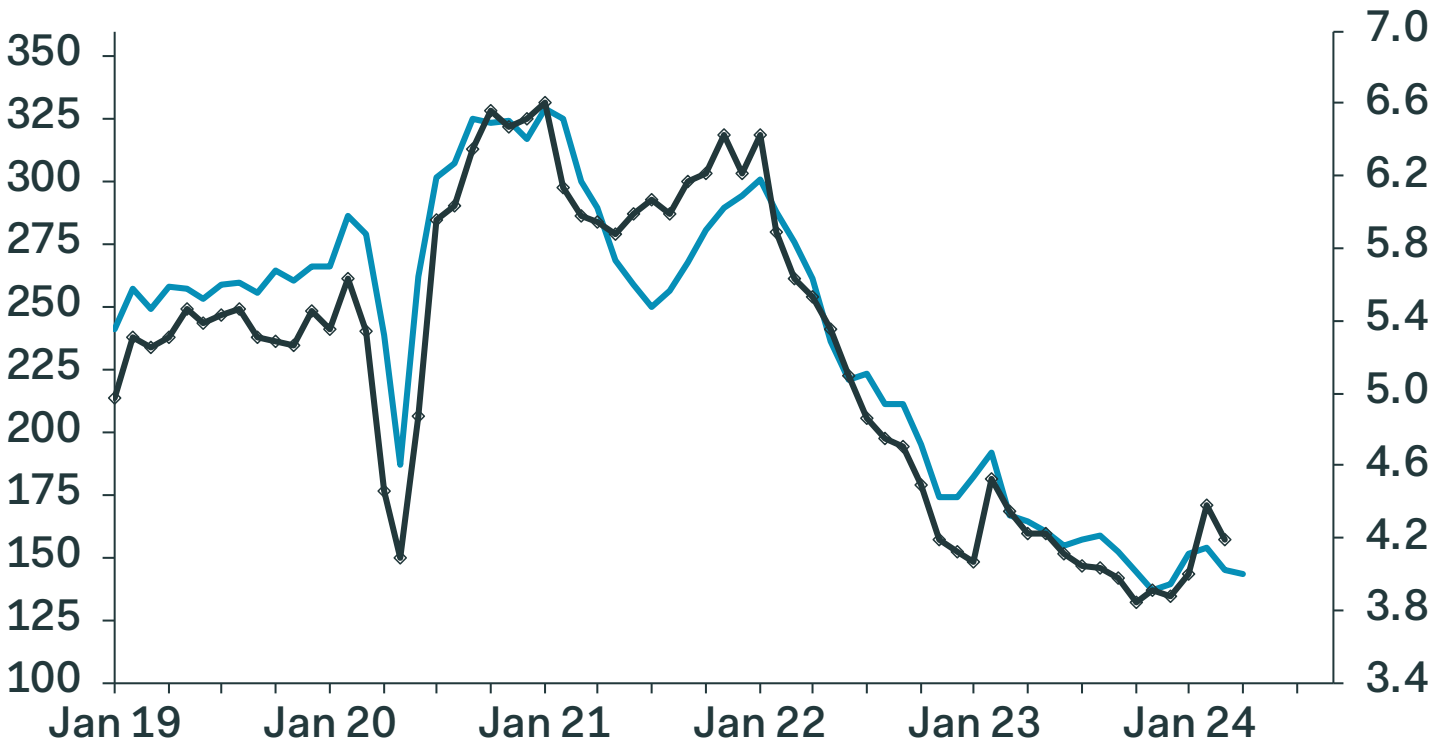
with both the ongoing weakness in mortgage demand and the trend in pending home sales, which usually lead existing home sales reliably. If anything, the latest pending home sales data suggests that existing sales have further to fall in the near term. Mortgage demand points in the same direction; applications have been even weaker recently, likely due to the ongoing rise in long-term interest rates. We suspect that better news on inflation will mean lower long-term rates over the remainder of this year,

putting the housing market recovery back on track. But that recovery will probably be gradual given that very high mortgage rates are still making it prohibitively expensive for most homeowners to move, limiting supply.

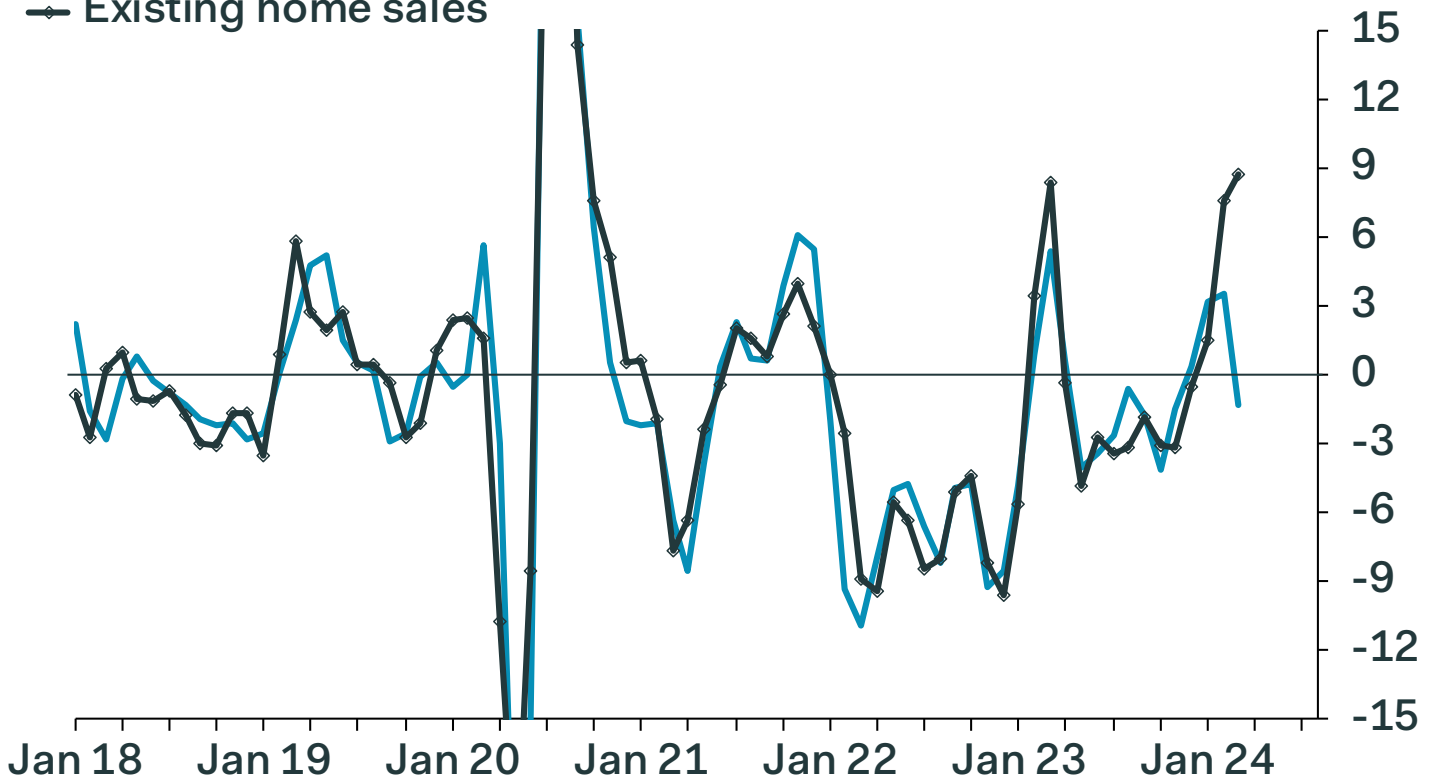
The stock of existing homes for sale rose to 3.3 months of sales in March in seasonally adjusted terms, from 3.0 months in February, but that was largely due to weaker sales last month rather than a significant number of units coming onto the market. The

big picture is that supply remains very tight, supporting prices. The median existing home price series published in this report is volatile and not seasonally adjusted. But our seasonally adjusted three-month average rose to a new all-time high last month, and is now up by 5.0% year-over-year.

— MBA purchase apps. index, re-adj. by PM, adv. one month (Left)  
 — Existing home sales, millions (Right)



— Pending home sales, % 2m/2m, adv. one month  
 — Existing home sales



- Existing single-family homes for sale, millions, SA by PM (Left)
- Existing single-family homes for sale, months' of supply (Right)



- Median price of existing single-family home, \$K
- Three-month average

Seasonally adjusted by PM

