

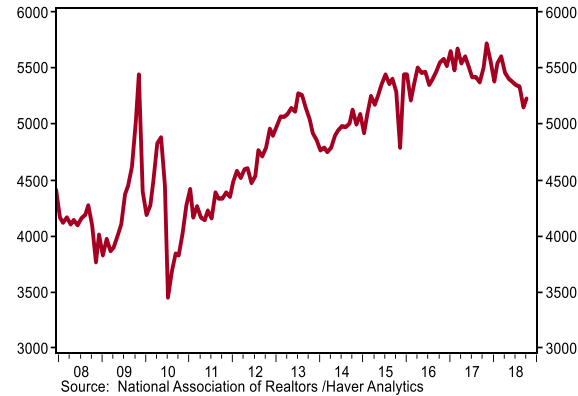
October Existing Home Sales

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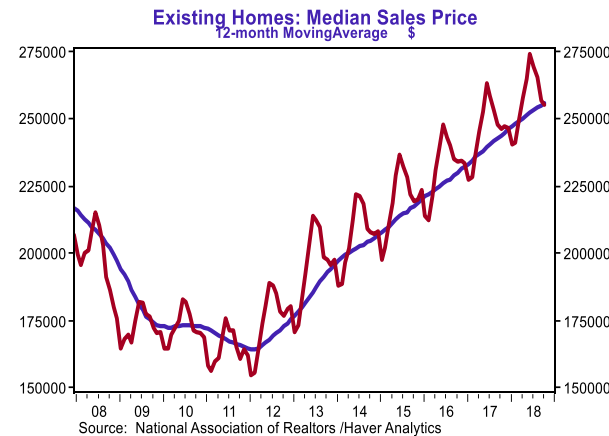
- Existing home sales rose 1.4% in October to a 5.22 million annual rate, narrowly beating the consensus expected 5.20 million. Sales are down 5.1% versus a year ago.
- Sales in October rose in the West, South, and Northeast, but declined in the Midwest. Sales of both single-family homes and condos/coops rose in October.
- The median price of an existing home fell to \$255,400 in October (not seasonally adjusted) but is up 3.8% versus a year ago. Average prices are up 2.3% versus last year.

Implications: Existing home sales finally rose in October following six consecutive months of declines. While the hurricane season shifted the timing of activity over recent months, we are now moving towards a more “normal” environment, and the months ahead will give us a clearer picture of housing market health. That said, the biggest problem for existing home sales has been a lack of supply. The months' supply of existing homes – how long it would take to sell the current inventory at the most recent sales pace – declined to 4.3 months in October and has been below 5.0 since late 2015 - the level the National Association of Realtors (NAR) considers tight. The good news is that inventories may finally be turning a corner, rising on a year-over-year basis for the third month in a row after 38 straight months of stagnation and declines. If sellers really are changing their behavior, a reversal in the steady decline of listings we've seen since mid-2015 would be a welcome reprieve for buyers, boosting supply and sales, as well. Even with the current lack of choices, the demand for existing homes has remained remarkably strong, with 46% of homes sold in October remaining on the market for less than a month. Higher demand and a shift in the “mix” of homes sold toward more expensive properties has also driven up the median sales price, which is up 3.8% from a year ago. Many analysts are suggesting rising mortgage rates are signaling the end for the housing market recovery. However, continued strength in the job market, rising wages, and a turnaround in housing inventory should offset higher financing headwinds going forward. It won't be a straight line higher, but any fears that the housing recovery is over are overblown.

NAR Total Existing Home Sales, United States
 SAAR, Thous



Existing Homes: Median Sales Price



Existing Home Sales	Oct-18		Sep-18	Aug-18	3-month	6-month	Yr to Yr
	% Ch.	level	level	level	moving avg.	moving ave.	% Change
<i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>							
Existing Home Sales	1.4%	5220	5150	5330	5233	5305	-5.1
Northeast	1.5%	690	680	700	690	688	-6.8
Midwest	-0.8%	1270	1280	1280	1277	1268	-3.1
South	1.9%	2150	2110	2230	2163	2213	-2.3
West	2.8%	1110	1080	1120	1103	1135	-11.2
Median Sales Price (\$, NSA)	-0.6%	255400	256900	265600	259300	264350	3.8

Source: National Association of Realtors

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