

# April Existing Home Sales

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- Existing home sales declined 17.8% in April to a 4.330 million annual rate, beating the consensus expected 4.220 million. Sales are down 17.2% versus a year ago.
- Sales in April fell in all major regions. The decline was due to both single-family homes and condos/coops.
- The median price of an existing home rose to \$286,800 in April (not seasonally adjusted) and is up 7.4% versus a year ago. Average prices are up 5.4% versus last year.

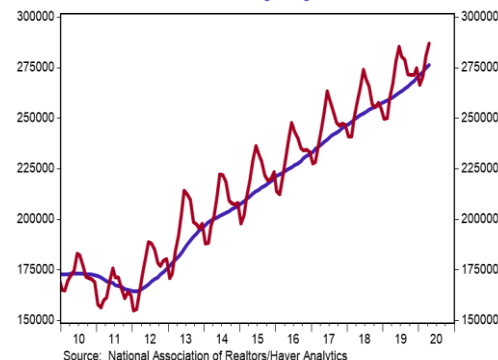
**Implications:** Forget about existing home sales for a minute. Initial unemployment claims came in at 2.44 million last week, continuing the recent spate of extremely high readings since March. However, initial claims have dropped for seven weeks in a row after peaking at 6.87 million in late March, including a decline of 249,000 last week. We are also following continuing claims, data for which lag initial claims by one week. Continuing claims hit a record high of 25.07 million two weeks ago and are likely to rise again in next week's report. At present, we are forecasting that continuing claims peak in late May or early June, signaling a bottom for the overall US economy. Turning our attention back towards housing, existing home sales in April posted the largest monthly drop since 2010. We expect more softness in the near term as social distancing and government-mandated lockdowns weigh on activity, although April was likely the weakest month for sales. While it's true that many realtors are using virtual-tour technology to show homes to potential buyers, most people still want to see things in-person before they make one of the biggest purchasing decisions of their lives. Current quarantine restrictions and social distancing measures are also going to hold back a recovery in the inventory of existing homes, as fewer potential sellers list their properties. Inventories in April were down 19.7% versus a year ago (the best measure for inventories given the seasonality of the data). The good news is that demand for existing homes is strong enough that 56% of homes sold in April were on the market for less than a month. One other interesting piece of data in today's report was that despite all the disruptions, the median price of existing homes rose 2.2% in April and is now up 7.4% in the past year, an acceleration from the 3.5% gain over the 12 months ending in April 2019. This is in sharp contrast to the 2008 Financial Crisis when the pace of home price growth began falling well ahead of the recession. The coming months will continue to offer us a murky picture of the housing market. However, we expect a rebound in activity as states continue to reopen and people get back to work. In other news this morning, the Philly Fed Index, a measure of East Coast factory sentiment, rose to -43.1 in May from -56.6 in April. While the negative reading still signals contraction, it also means things were getting worse at a slower rate. This may not seem like much to cheer, but it's a necessary step before output starts improving.

NAR Total Existing Home Sales, United States  
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Source: National Association of Realtors/Haver Analytics

Existing Homes: Median Sales Price  
 Existing Homes: Median Sales Price  
 12-month Moving Average



Source: National Association of Realtors/Haver Analytics

Existing Home Sales	Apr-20		Mar-20	Feb-20	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>							
<b>Existing Home Sales</b>	<b>-17.8%</b>	<b>4330</b>	5270	5760	5120	5272	-17.2
<b>Northeast</b>	<b>-16.9%</b>	<b>540</b>	650	700	630	675	-18.2
<b>Midwest</b>	<b>-12.0%</b>	<b>1100</b>	1250	1290	1213	1243	-8.3
<b>South</b>	<b>-17.9%</b>	<b>1880</b>	2290	2520	2230	2275	-16.8
<b>West</b>	<b>-25.0%</b>	<b>810</b>	1080	1250	1047	1078	-27.0
<b>Median Sales Price (\$, NSA)</b>	<b>2.2%</b>	<b>286800</b>	280700	270400	279300	274983	7.4

Source: National Association of Realtors