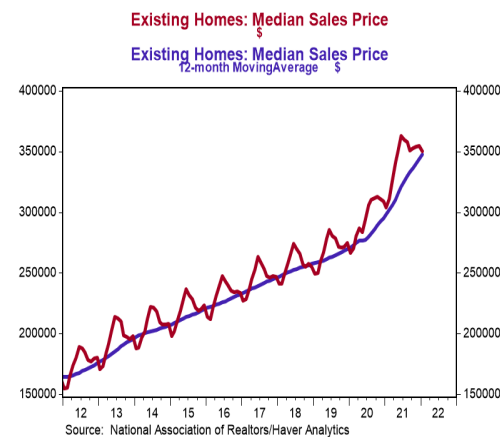
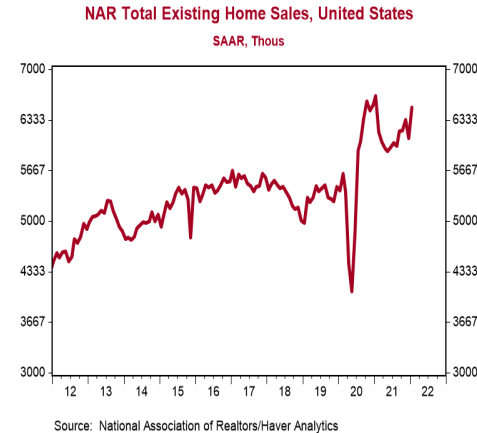


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January Existing Home Sales

- Existing home sales increased 6.7% in January to a 6.500 million annual rate, easily beating the consensus expected 6.100 million. Sales are down 2.3% versus a year ago.
- Sales in January rose in all major regions. The gain was due to both single-family homes and condos/co-ops.
- The median price of an existing home fell to \$350,300 in January (not seasonally adjusted) but is up 15.4% versus a year ago. Average prices are up 9.1% versus last year.

Implications: Existing home sales started 2022 on a strong note, posting the largest monthly gain in eighteen months. It looks like buyers may have been rushing to buy homes and lock-in mortgage rates before they rise any further. In fact, 30-year mortgage rates have already risen roughly one percentage point since December, demonstrating why urgency may be rising for certain buyers. Sales have been in an upward trend since the spring of 2021, and now sit just 2.3% below the recent high set a year ago, as the nearby chart shows. This is doubly impressive given the current lack of supply in the market. The number of listed, but unsold, existing homes was 860,000 in January, an all-time low going back to 1999. Our expectation is that listings will start to move upward in 2022 again, at least on a seasonally adjusted basis, as virus fears fade in the Spring and sellers feel more comfortable showing their homes. Meanwhile, the months' supply of existing homes for sale (how long it would take to sell today's inventory at the current sales pace) fell to 1.6 months in January, also a record low back to 1999. There is still significant pent-up demand, with buyer urgency so strong in January that 79% of existing homes sold were on the market for less than a month. The combination of strong demand and sparse supply has pushed median prices up 15.4% in the past year, but the good news is that price gains have decelerated since hitting a year-to-year gain of 23.6% in May. Looking forward to 2022, we expect another solid year as more inventory becomes available and price gains moderate. Millennials are now the largest living generation in the US and have begun to enter the housing market in force, making up over 50% of new mortgage issuance for the first time in 2019. This represents a demographic tailwind for sales for the foreseeable future.



Existing Home Sales	Jan-22		Dec-21	Nov-21	3-month	6-month	Yr to Yr
	% Ch.	level	level	level	moving avg.	moving avg.	% Change
<i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>							
Existing Home Sales	6.7%	6500	6090	6330	6307	6213	-2.3
Northeast	6.8%	780	730	740	750	745	-8.2
Midwest	4.1%	1510	1450	1470	1477	1447	0.0
South	9.3%	2940	2690	2830	2820	2758	0.3
West	4.1%	1270	1220	1290	1260	1263	-6.6
Median Sales Price (\$, NSA)	-1.2%	350300	354600	354300	353067	353433	15.4

Source: National Association of Realtors