

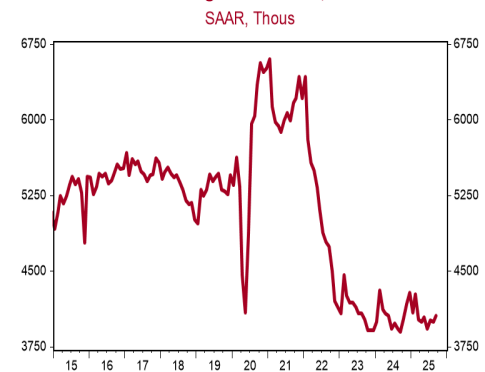
September Existing Home Sales

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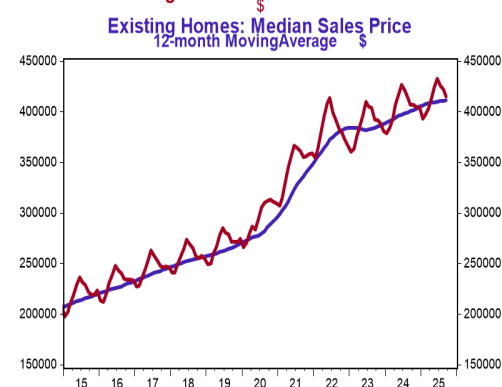
- Existing home sales increased 1.5% in September to a 4.060 million annual rate, matching consensus expectations. Sales are up 4.1% versus a year ago.
- Sales in September rose in the West, Northeast, and South, but fell in the Midwest. The gain in September was entirely due to single-family homes. Sales of condos/co-ops remained unchanged.
- The median price of an existing home declined to \$415,200 in September (not seasonally adjusted) but is up 2.1% versus a year ago.

Implications: Existing home sales posted a modest gain in September, though activity continues to trudge along at a disappointing pace. The current pace of 4.060 million remains near the lowest since the aftermath of the Great Financial Crisis, and well below the roughly 5.250 million annual pace that existed pre-COVID (let alone the 6.500 million pace during COVID). That said, affordability has been improving in several notable ways. First, 30-year mortgage rates have been trending lower since May and now sit around 6.3%. Notably, this is the lowest rate since 2023 and with the Federal Reserve restarting rate cuts recently, buyers have reason for further optimism. Meanwhile, the median price of an existing home is up just 2.1% versus a year ago. It looks like the inventory of existing homes rising 14.0% in the past year has helped put a lid on prices as more options become available for buyers. That has helped push up the months' supply of homes (how long it would take to sell existing inventory at the current very slow sales pace) to 4.6 in September, a considerable improvement versus the past few years, and approaching the benchmark of 5.0 that the National Association of Realtors uses to denote a normal market. One last positive to note is that aggregate wage growth (hourly earnings plus hours worked) has begun to consistently outpace median home price gains over the past year for the first time since 2023, which improves affordability. That said, some challenges remain. Many existing homeowners remain reluctant to sell due to a "mortgage lock-in" phenomenon, after buying or refinancing at much lower rates before 2022. This remains an impediment to activity by limiting future existing sales (and inventories). Existing home sales also face significant competition from new homes, where in many cases developers are buying down mortgage rates to compete and move inventory (when interest rates are higher, firms, including homebuilders, forego more potential earnings by holding onto inventories). Despite these cross currents, underlying fundamentals have improved recently, which should contribute to a modest rebound in sales. In other recent housing news, the NAHB Index (a measure of homebuilder sentiment) rose unexpectedly to 37 in October from 32 in September. Keep in mind a reading below 50 signals a greater number of builders view conditions as poor versus good, now the eighteenth consecutive month that has been the case. On the manufacturing front, the Empire State Index – a measure of factory sentiment in the New York region – rebounded sharply to +10.7 in October from -8.7 in September. Meanwhile, its counterpart the Philadelphia Fed Index fell to -22.2 in October from -12.3 in September.

NAR Total Existing Home Sales, United States



Existing Homes: Median Sales Price



Existing Home Sales	Sep-25		Aug-25	Jul-25	3-month	6-month	Yr to Yr
Seasonally Adjusted Unless Noted, Levels in Thous.	% Ch.	level	level	level	moving avg.	moving avg.	% Change
Existing Home Sales	1.5%	4060	4000	4010	4023	4007	4.1
Northeast	2.1%	490	480	500	490	485	4.3
Midwest	-2.1%	940	960	940	947	958	2.2
South	1.6%	1860	1830	1850	1847	1835	6.9
West	5.5%	770	730	720	740	728	0.0
Median Sales Price (\$, NSA)	-1.7%	415200	422400	425700	421100	422283	2.1

Source: National Association of Realtors