

October Existing Home Sales

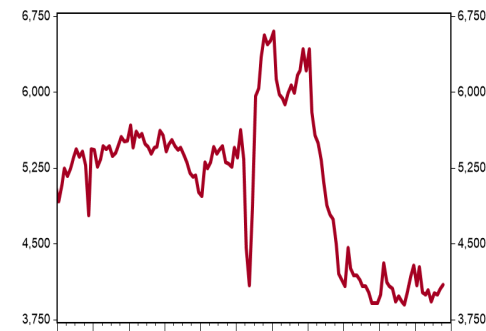
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- Existing home sales increased 1.2% in October to a 4.100 million annual rate, modestly beating the consensus expected 4.080. Sales are up 1.7% versus a year ago.
- Sales in October rose in the Midwest and South, remained unchanged in the Northeast, and fell in the West. The gain in October was due to both single-family homes and condos/co-ops.
- The median price of an existing home increased to \$415,200 in October (not seasonally adjusted) and is up 2.1% versus a year ago.

Implications: Existing home sales posted a modest gain in October to hit an eight-month high, though activity continues to trudge along at a disappointing pace. The current rate of 4.100 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%, near the lowest rate since 2023. 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 10.9% 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 4.4 in October, a considerable improvement versus the past few years, though still below 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 to 38 in November from 37 in October. Keep in mind a reading below 50 signals a greater number of builders view conditions as poor versus good, now the nineteenth 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 – rose to a stronger than expected +18.7 in November from +10.7 in October. Meanwhile, its counterpart the Philadelphia Fed Index also rebounded to -1.7 in November from -12.8 in October.

NAR Total Existing Home Sales, United States

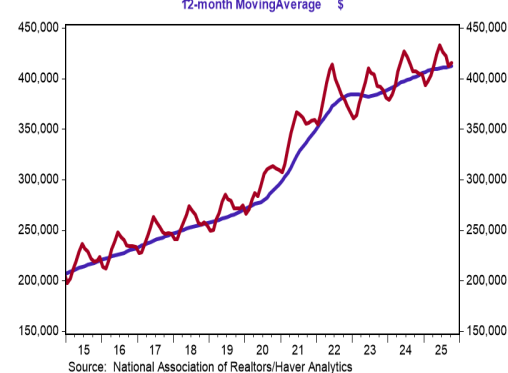
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Source: National Association of Realtors/Haver Analytics

Existing Homes: Median Sales Price

Existing Homes: Median Sales Price
12-month Moving Average



Source: National Association of Realtors/Haver Analytics

Existing Home Sales	Oct-25		Sep-25	Aug-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	1.2%	4100	4050	4000	4050	4022	1.7
Northeast	0.0%	490	490	480	487	487	4.3
Midwest	5.3%	990	940	960	963	962	2.1
South	0.5%	1860	1850	1830	1847	1842	2.8
West	-1.3%	760	770	730	753	732	-2.6
Median Sales Price (\$, NSA)	0.7%	415200	412300	422400	416633	422000	2.1

Source: National Association of Realtors