

April Existing Home Sales

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- Existing home sales declined 0.5% in April to a 4.000 million annual rate, lagging the consensus expected 4.100. Sales are down 2.0% versus a year ago.
- Sales in April fell in the West and Northeast, remained unchanged in the South, and rose in the Midwest. The drop in April was due to both single-family homes and condos/co-ops.
- The median price of an existing home increased to \$414,000 in April (not seasonally adjusted) and is up 1.8% versus a year ago.

Implications: Existing home sales were essentially unchanged in April, remaining sluggish after the biggest monthly decline since 2022. Sales activity has been characterized by fits and starts over the past couple years, with any positive upward trend eventually running into a ceiling of around 4.300 million. Big picture, sales are still well below the roughly 5.250 million annual pace that existed pre-COVID, let alone the 6.500 million pace during COVID. Affordability remains the biggest headwind to sales, and unfortunately 30-year mortgage rates have begun to climb again recently and are back near 7%. Meanwhile, the median price of an existing home is up 1.8% from a year ago. Speaking of price, it looks like the housing market has bifurcated. While the sales of homes worth \$250,000 and above are up in the past year (and rising faster the more expensive the property), sales for homes below this threshold have continued to fall. On a positive note this demonstrates that, at least at the higher end of the market, both buyers and sellers are beginning to adjust to the new reality of higher rates. However, it also suggests that at the lower end of the price spectrum inflation has priced many Americans out of the existing home market. 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.) Finally, 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 a major impediment to activity by limiting future existing sales (and inventories). However, there are signs of progress with inventories rising 20.8% in the past year. That has helped push 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 April, a considerable improvement versus the past few years, but still below the benchmark of 5.0 that the National Association of Realtors uses to denote a normal market. A tight inventory of existing homes means that while the pace of sales looks like 2008, we aren’t seeing that translate to a big decline in prices. In other news this morning, initial jobless claims fell by 2,000 last week to 227,000, while continuing claims rose 36,000 to 1.903 million. These figures are consistent with continued job growth in May, but at a slower pace than last year.

NAR Total Existing Home Sales, United States

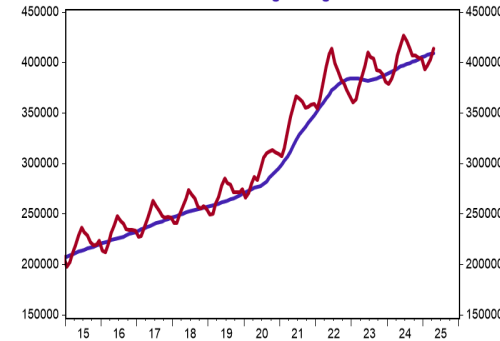
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Source: National Association of Realtors/Haver Analytics

Existing Homes: Median Sales Price

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12-month Moving Average



Source: National Association of Realtors/Haver Analytics

Existing Home Sales	Apr-25		Mar-25	Feb-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	-0.5%	4000	4020	4270	4097	4140	-2.0
Northeast	-2.0%	480	490	500	490	503	0.0
Midwest	2.1%	970	950	1000	973	987	-1.0
South	0.0%	1810	1810	1920	1847	1868	-3.2
West	-3.9%	740	770	850	787	782	-1.3
Median Sales Price (\$, NSA)	2.7%	414000	403100	396800	404633	402567	1.8

Source: National Association of Realtors