

July Existing Home Sales

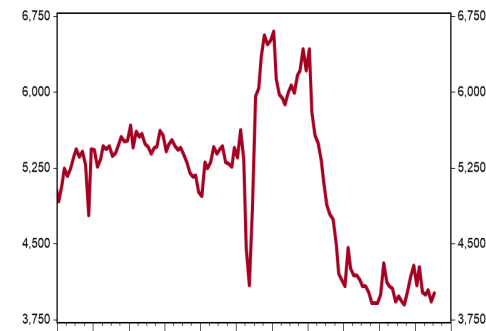
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- Existing home sales increased 2.0% in July to a 4.010 million annual rate, beating the consensus expected 3.920. Sales are up 0.8% versus a year ago.
- Sales in July rose in the Northeast, South and West, but fell in the Midwest. The gain in July was due to both single-family homes and condos/co-ops.
- The median price of an existing home declined to \$422,400 in July (not seasonally adjusted) but is up 0.2% versus a year ago.

Implications: Existing home sales came in better than expected in July, rising 2.0% after hitting a nine-month low in June. Despite July's positive headline, it's hard to get excited about today's report. The July sales pace of 4.010 million is 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 that could contribute to a rebound going forward. First, 30-year mortgage rates have been trending modestly lower since May and now sit around 6.7%. Meanwhile, the median price of an existing home is essentially flat from a year ago. It looks like the inventory of existing homes rising 15.7% in the past year has helped put a lid on prices as more options become available for buyers. 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 4.6 in July, 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 prices 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 rebound in sales. In other news this morning, initial jobless claims rose 11,000 to 235,000 last week while continuing claims increased 30,000 to 1.972 million. These figures are consistent with continued job growth in August, but at a slower pace than last year. Finally on the manufacturing front, the Philadelphia Fed Manufacturing Index, a measure of factory sentiment in that region, fell unexpectedly to -0.3 in August from +15.9 in July.

NAR Total Existing Home Sales, United States

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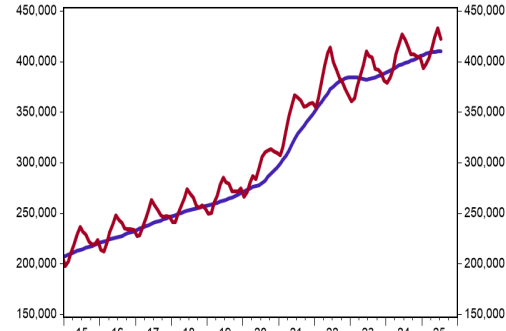


Source: National Association of Realtors/Haver Analytics

Existing Homes: Median Sales Price

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12-month Moving Average



Source: National Association of Realtors/Haver Analytics

Existing Home Sales	Jul-25		Jun-25	May-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	2.0%	4010	3930	4040	3993	4045	0.8
Northeast	8.7%	500	460	500	487	488	2.0
Midwest	-1.1%	940	950	990	960	967	1.1
South	2.2%	1850	1810	1850	1837	1842	2.2
West	1.4%	720	710	700	710	748	-4.0
Median Sales Price (\$, NSA)	-2.4%	422400	432700	423700	426267	415450	0.2

Source: National Association of Realtors