

August Existing Home Sales

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- Existing home sales declined 0.2% in August to a 4.000 million annual rate, beating the consensus expected 3.950. Sales are up 1.8% versus a year ago.
- Sales in August fell in the Northeast and South but rose in the Midwest and West. The drop in August was due to single-family homes. Sales of condos/co-ops remained unchanged.
- The median price of an existing home declined to \$422,600 in August (not seasonally adjusted) but is up 2.0% versus a year ago.

Implications: Existing home sales remained essentially unchanged in August, with activity continuing to trudge along at a disappointing pace. The August sales pace of 4.000 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. 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 last week, buyers have reason for further optimism. Meanwhile, the median price of an existing home is nearly unchanged from a year ago. It looks like the inventory of existing homes rising 11.7% 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 modest rebound in sales.

NAR Total Existing Home Sales, United States

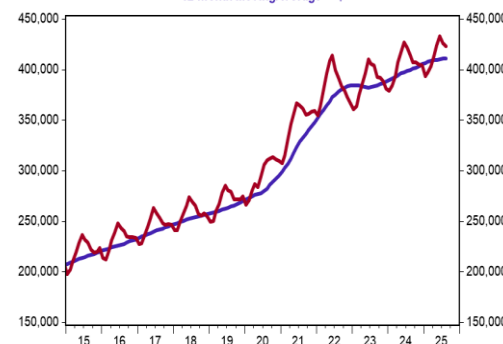
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Source: National Association of Realtors/Haver Analytics

Existing Homes: Median Sales Price

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12-month Moving Average



Source: National Association of Realtors/Haver Analytics

Existing Home Sales	Aug-25		Jul-25	Jun-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	-0.2%	4000	4010	3930	3980	4000	1.8
Northeast	-4.0%	480	500	460	480	485	-2.0
Midwest	2.1%	960	940	950	950	960	3.2
South	-1.1%	1830	1850	1810	1830	1827	3.4
West	1.4%	730	720	710	720	728	-1.4
Median Sales Price (\$, NSA)	-0.7%	422600	425700	432700	427000	420300	2.0

Source: National Association of Realtors