

December Existing Home Sales

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- Existing home sales increased 5.1% in December to a 4.350 million annual rate, beating the consensus expected 4.220. Sales are up 1.4% versus a year ago.
- Sales in December rose in all the major regions. The gain in December was due to both single-family homes and condos/co-ops.
- The median price of an existing home declined to \$405,400 in December (not seasonally adjusted) and is up 0.4% versus a year ago.

Implications: Existing home sales closed out 2025 on a healthy note, rising for a fourth consecutive month and hitting the fastest pace since 2023. That said, the current sales rate of 4.350 million remains near the low since the aftermath of the Great Financial Crisis, and well below the roughly 5.250 million annual pace pre-COVID (let alone the 6.500 million pace during COVID). The good news is that affordability has been improving in several notable ways. First, 30-year mortgage rates have been trending lower since May and now sit around 6.2%, near the lowest rate since 2022. Buyers also have reasons for further optimism on financing costs. The Federal Reserve is continuing to cut rates, the Trump Administration will soon appoint a new Fed chair who is likely to be even more accommodative, and there is talk of Fannie and Freddie purchasing more mortgages as well. Meanwhile, the median price of an existing home is up only 0.4% versus a year ago. Aggregate wage growth (hourly earnings plus hours worked) has also begun to consistently outpace median home price gains over the past year for the first time since 2023, which improves affordability. The biggest headwind continues to be inventories, where growth continues although at a slower pace than earlier this year. This has led to the months' supply of homes (how long it would take to sell existing inventory at the current very slow sales pace) falling to 3.3 in December, well below the benchmark of 5.0 that the National Association of Realtors uses to denote a normal market. Many existing homeowners also remain reluctant to sell due to a "mortgage lock-in" phenomenon, after buying or refinancing at much lower rates before 2022. This means potential buyers will have to continue to deal with limited options. 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. Despite these cross currents, underlying fundamentals have improved recently, which should contribute to a modest upward trend in sales in 2026.

NAR Total Existing Home Sales, United States

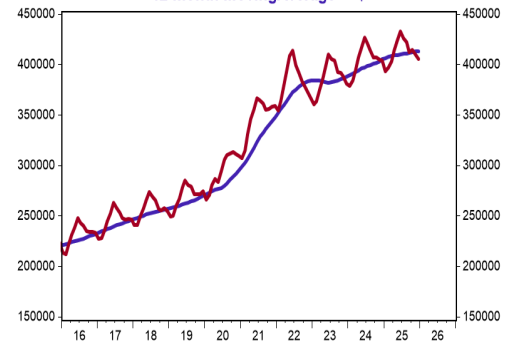
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Source: National Association of Realtors/Haver Analytics

Existing Homes: Median Sales Price

Existing Homes: Median Sales Price
12-month Moving Average



Source: National Association of Realtors/Haver Analytics

Existing Home Sales	Dec-25		Nov-25	Oct-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	5.1%	4350	4140	4110	4200	4110	1.4
Northeast	2.0%	520	510	490	507	498	-1.9
Midwest	2.0%	1000	980	990	990	968	0.0
South	6.9%	2020	1890	1870	1927	1885	3.6
West	6.6%	810	760	760	777	758	0.0
Median Sales Price (\$, NSA)	-1.1%	405400	410000	414900	410100	415117	0.4

Source: National Association of Realtors