

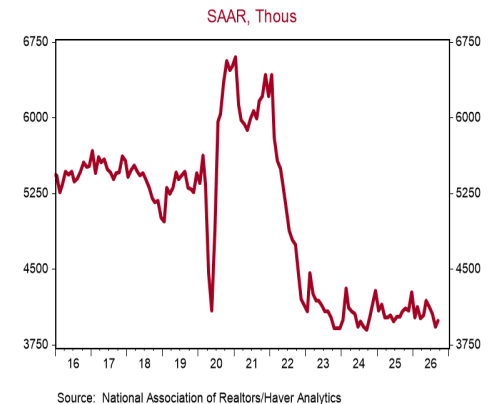
September Existing Home Sales

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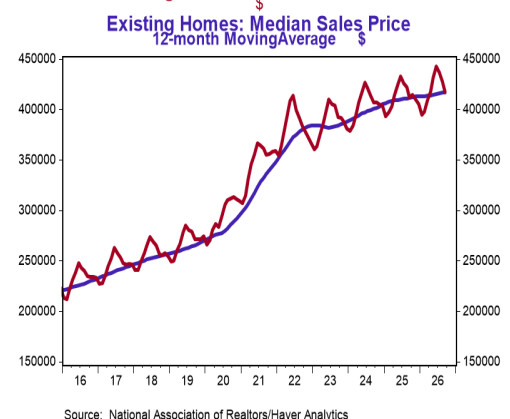
- Existing home sales increased 1.5% in September to a 3.990 million annual rate, beating consensus expectations. Sales are down 2.2% versus a year ago.
- Sales in September rose in the South and West, remained unchanged in the Midwest, and declined in the Northeast. The gain in sales in September was entirely due to single-family homes. Sales of condos/co-ops declined in September.
- The median price of an existing home declined to \$417,500 in September (not seasonally adjusted) but is up 1.3% versus a year ago.

Implications: Existing home sales eked out a small gain in September but remained disappointing as the recent jump in mortgage rates kept potential buyers on the sideline. Looking at the big picture, activity has been stuck in low gear since the end of the COVID pandemic, with the annual sales pace hovering around 4.000 million. That is roughly in line with 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 main issue remains affordability which has taken a turn for the worse recently due to ongoing conflicts around the world driving up energy costs and short-term inflation. The result has been a rapid increase in 30-year mortgage rates, which are up 140 basis points since February and now sit around 7.5%. Buyers are also unlikely to get any help from the Federal Reserve, which has begun hiking rates again in response. However, there is some good news for buyers. Since the COVID pandemic, many existing homeowners have been reluctant to sell due to a “mortgage lock-in” phenomenon, after buying or refinancing at much lower rates before 2022. This meant that potential buyers had to deal with limited options. However, the existing home inventory has been improving recently and now sits at the highest level since the pandemic (though still well below pre-COVID levels). Meanwhile, the months’ supply of homes (how long it would take to sell existing inventory at the current very slow sales pace) was 4.8 in September, nearing the benchmark of 5.0 that the National Association of Realtors uses to denote a normal market. Finally, though the median price of an existing home sits near a record high, it is up only 1.3% versus a year ago. Aggregate wage growth (hourly earnings plus hours worked) has been consistently outpacing median home price gains since early-2025, which gradually improves affordability. While many cross currents remain, the fundamentals for a modest improvement in home sales are starting to emerge. On the employment front, initial jobless claims two weeks ago ticked down by 2,000 to 197,000; continuing claims rose 17,000 to 1.716 million. These figures suggest that job growth continues.

NAR Total Existing Home Sales, United States



Existing Homes: Median Sales Price



Existing Home Sales	Sep-26		Aug-26	Jul-26	3-month	6-month	Yr to Yr
<i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	% Ch.	level	level	level	moving avg.	moving avg.	% Change
Existing Home Sales	1.5%	3990	3930	4060	3993	4057	-2.2
Northeast	-2.1%	470	480	500	483	477	-4.1
Midwest	0.0%	930	930	970	943	962	-2.1
South	2.8%	1860	1810	1870	1847	1887	-0.5
West	2.8%	730	710	720	720	732	-5.2
Median Sales Price (\$, NSA)	-2.4%	417500	427700	436400	427200	428850	1.3

Source: National Association of Realtors