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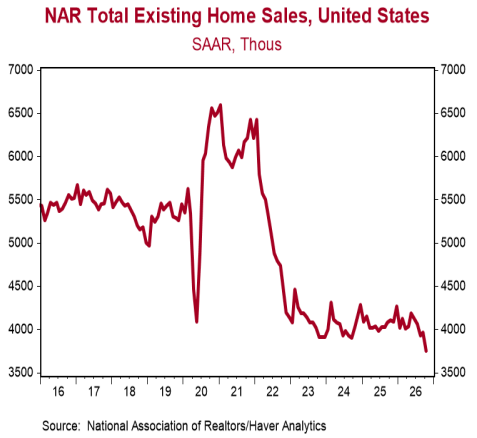
October Existing Home Sales

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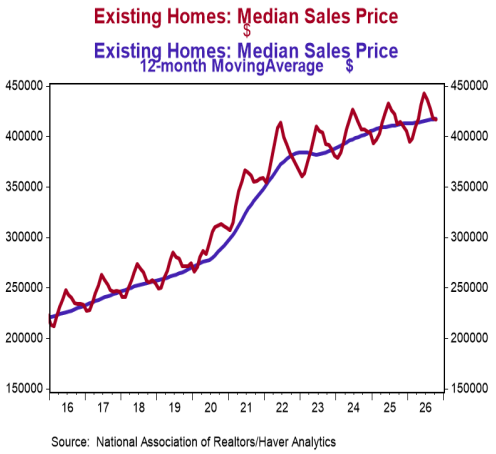
- Existing home sales declined 5.5% in October to a 3.750 million annual rate, below the consensus expected 3.850 million. Sales are down 8.8% versus a year ago.

- Sales in October fell in the West, South, and Midwest, but remained unchanged in the Northeast. The drop in sales in October was due to both single-family homes and condos/co-ops.

- The median price of an existing home declined to $416,700 in October (not seasonally adjusted) but is up 0.4% versus a year ago.



Source: National Association of Realtors/Haver Analytics



Source: National Association of Realtors/Haver Analytics

Implications: Existing home sales hit the lowest level since 2010 in October, as the housing market continued to struggle due to potential buyers sitting on the sidelines amid rising mortgage rates. 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 sales in 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 hit 7.5% in October, and have been hovering around the highest levels since 2000. Buyers are also unlikely to get any help from the Federal Reserve which has begun hiking rates again in response. However, it's not all bad 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) rose to 5.1 in October, exceeding the benchmark of 5.0 that the National Association of Realtors uses to denote a normal market for the first time since 2015. Finally, though the median price of an existing home sits near a record high, it is up only 0.4% 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 headwinds remain, the fundamentals for a modest improvement in home sales from the current lows are starting to emerge. On the employment front, initial jobless claims last week increased by 9,000 to 200,000; continuing claims fell 20,000 to 1.697 million. These figures suggest job growth continues.

Existing Home Sales	Oct-26		Sep-26	Aug-26	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	**-5.5%**	**3750**	3970	3930	3883	4005	-8.8
Northeast	**0.0%**	**470**	470	480	473	480	-4.1
Midwest	**-3.2%**	**900**	930	930	920	955	-8.2
South	**-6.5%**	**1730**	1850	1810	1797	1857	-8.0
West	**-9.7%**	**650**	720	710	693	713	-14.5
Median Sales Price ($, NSA)	**-0.4%**	**416700**	418200	427700	420867	428833	0.4

Source: National Association of Realtors

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