

February Existing Home Sales

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- Existing home sales increased 1.7% in February to a 4.090 million annual rate, beating the consensus expected 3.880 million. Sales are down 1.4% versus a year ago.
- Sales in February rose in the West, South and Midwest, but fell in the Northeast. The increase in February was entirely due to single-family homes. Sales of condos/co-ops declined in February.
- The median price of an existing home increased to \$398,000 in February (not seasonally adjusted) and is up 0.3% versus a year ago.

Implications: Existing home sales rebounded modestly in February, following severe winter storms that held back activity in January. That said, sales remain near the low seen following the Great Financial Crisis, and are 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 early 2025 and now sit around 6.1%, the lowest rate since 2022. Unfortunately, the outlook for interest rates going forward has become murkier recently, with the war on Iran raising energy costs and threatening to have an upward impact on inflation expectations. Meanwhile, the median price of an existing home is up only 0.3% versus a year ago. Aggregate wage growth (hourly earnings plus hours worked) has been consistently outpacing median home price gains over the past year for the first time since 2023, which improves affordability. The biggest headwind remains inventories, where growth continues although at a slower pace than last year. This has led to a months' supply of homes (how long it would take to sell existing inventory at the current very slow sales pace) of 3.8 in February, 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.

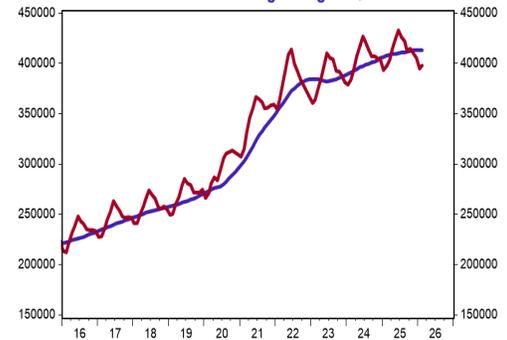
NAR Total Existing Home Sales, United States
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Source: National Association of Realtors/Haver Analytics

Existing Homes: Median Sales Price

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 12-month Moving Average \$



Source: National Association of Realtors/Haver Analytics

Existing Home Sales	Feb-26		Jan-26	Dec-25	3-month	6-month	Yr to Yr
	% Ch.	level	level	level	moving avg.	moving avg.	% Change
<i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>							
Existing Home Sales	1.7%	4090	4020	4270	4127	4110	-1.4
Northeast	-6.0%	470	500	510	493	493	-4.1
Midwest	1.1%	940	930	990	953	960	-4.1
South	1.6%	1890	1860	1990	1913	1893	0.5
West	8.2%	790	730	780	767	763	-1.3
Median Sales Price (\$, NSA)	0.8%	398000	395000	405100	399367	405883	0.3

Source: National Association of Realtors