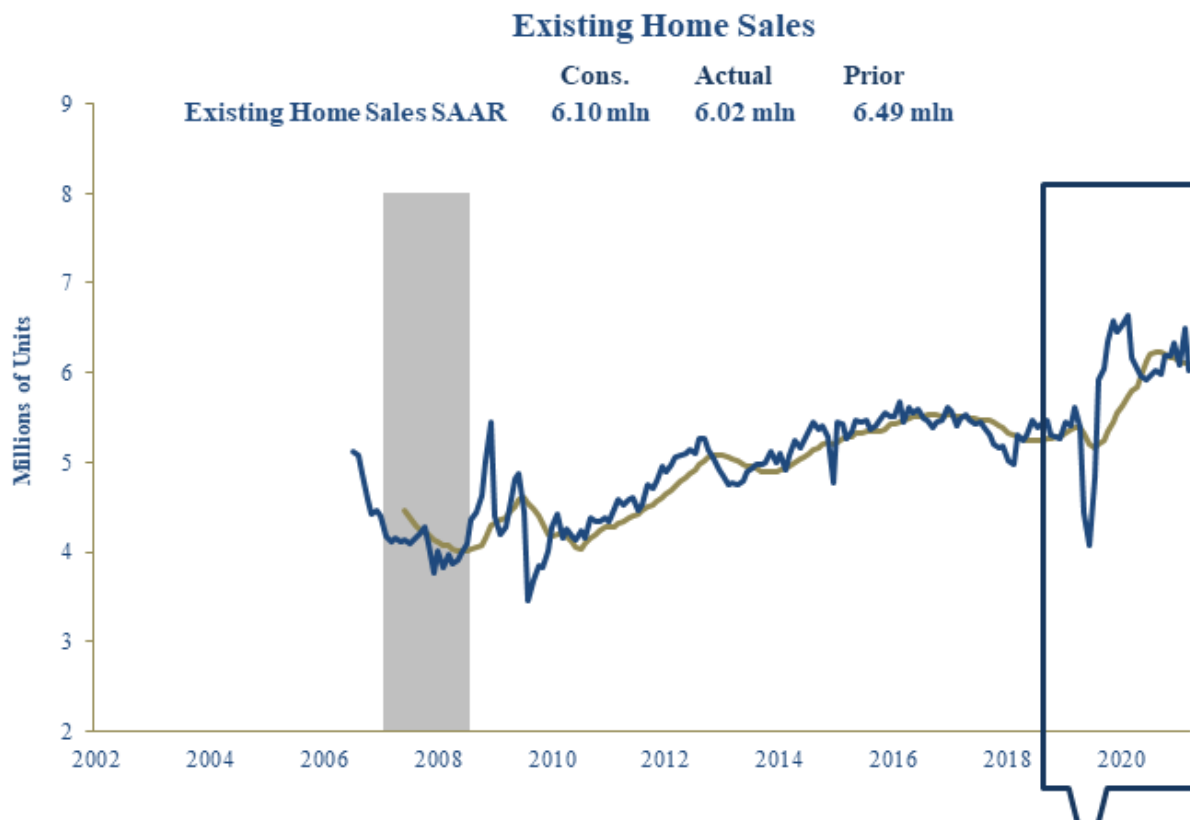
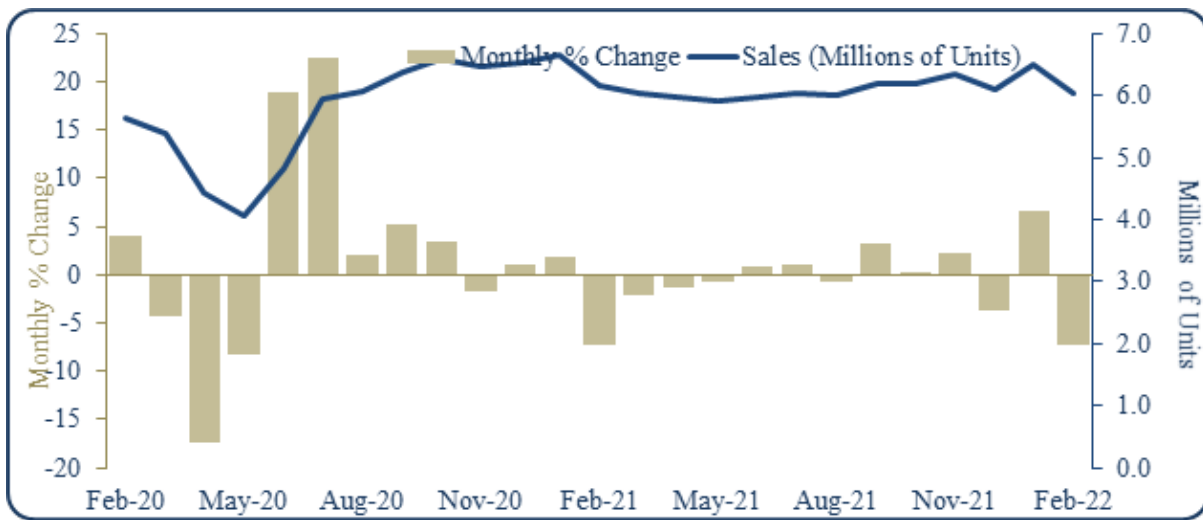


18.Mar.2022

Existing Home Sales: Sharp Decline Amid Higher Rates

Bottom Line: Existing home sales fell sharply, dropping over 7%, in February as mortgage rates rose, hampering affordability. The south was the only region to experience stronger activity than a year ago. Overall conditions remained tight with inventory increasing only slightly, pushing months' supply up to 1.7, still well below the six-month level that would historically be considered normal. Median and average home prices were higher, despite the increase in mortgage rates, as cash and second-home buyers remained significant. All-cash sales accounted for 25% of sales, down from 27% in the previous month but still historically high. Overall, existing home sales have likely peaked until mortgage rates drop again, but so far, the level of activity remains historically robust amid tight supply conditions.



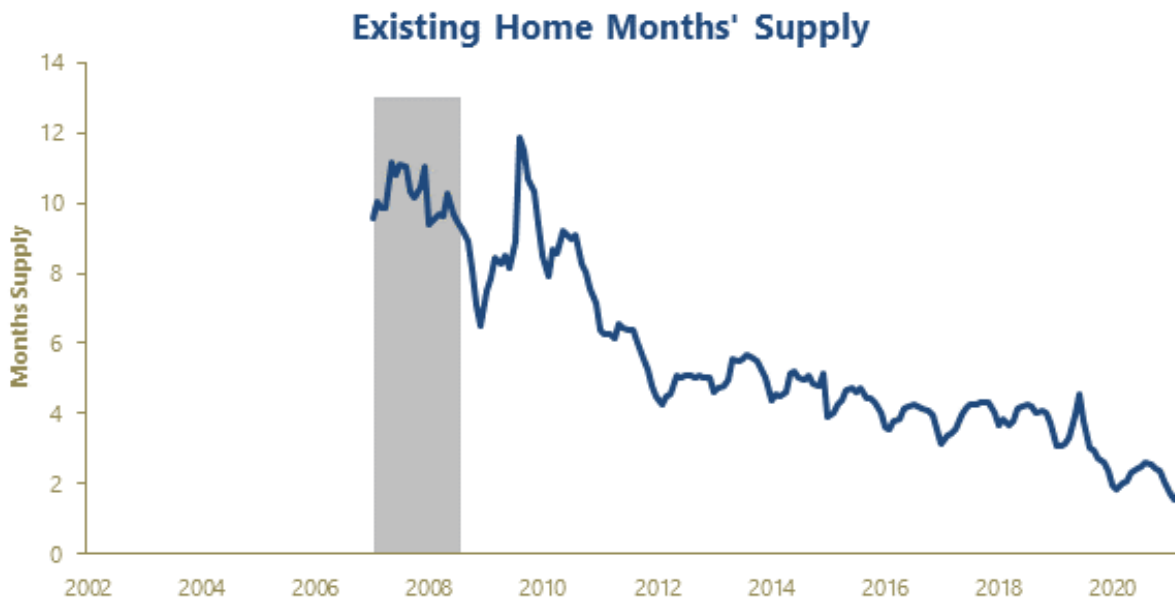


Existing Home Sales FELL by 7.2% in February to 6.02 million, compared with market expectations for a decline to 6.10 million. The prior month was revised down from 6.50 to 6.49 million. Home re-sales are now 2.4% BELOW their year-ago level.

The Inventory of Homes Available for Sale ROSE by 2.4% to 870k but are still 15.5% BELOW their year-ago level. Because inventories increased while sales declined, the **Months Supply** ROSE to 1.7 months from 1.6 months. This is BELOW the 6 month level that is considered 'normal'.

Home Prices ROSE compared to their year-ago levels. Average home prices are 8.4% ABOVE their year-ago levels while median home prices are 15.0% ABOVE their year-ago levels.

Total Existing Home Sales



Median Existing Home Price



	Monthly				Average for						
	Feb-22	Jan-22	Dec-21	Nov-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Existing Home Sales (millions)	6.02	6.49	6.09	6.33	6.20	6.22	6.10	6.53	5.45	5.62	5.27
<i>prior report</i>		6.50	6.09	6.33							
(percent change)	-7.2	6.6	-3.8	2.3				19.8	8.8		
(year-on-year percent change)	-2.4	-2.4	-6.7	-2.0							
Inventory (thousands)	870	850	880	1,110	867	1,033	1,119	1,060	1,390	1,418	1,672
(percent change)	2.4	-3.4	-20.7	-9.8				-23.7	-9.2		
(year-on-year percent change)	-15.5	-17.5	-17.0	-13.3							
Months' Supply	1.73	1.57	1.7	2.1	1.7	2.0	2.2	1.9	3.1	3.1	3.9
Average Sales Price (\$000)	370.7	368.5	373.1	373.1	370.8	371.5	371.2	342.0	311.0	302.0	271.8
(year-on-year percent change)	8.4	9.1	9.1	8.8				10.0	5.9		
Median Sales Price (\$000)	357.3	350.0	354.6	354.3	354.0	353.3	351.5	309.2	274.5	263.6	229.0
(year-on-year percent change)	15.0	15.3	14.7	14.0				12.6	7.8		

Source: National Association of Realtors via Bloomberg. Our calculations.

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T.J. Connelly, Head of Research

March 18, 2022

Steven A. Wood, Senior Economic Adviser

Single-Family Existing Home Sales:

Existing Single Family Home Sales

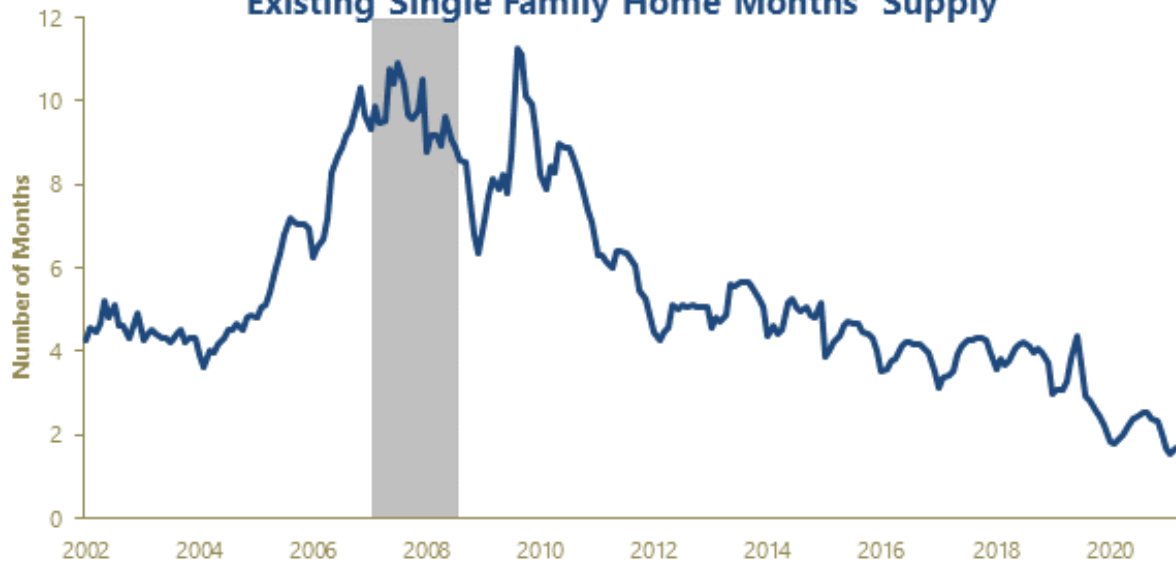


SINGLE-FAMILY EXISTING

	Monthly				Average for						
	Feb-22	Jan-22	Dec-21	Nov-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Single Family Home Sales (Mil)	5.35	5.75	5.41	5.63	5.50	5.52	5.40	4.75	4.74	4.79	4.53
(percent change)	-7.0	6.3	-3.9	2.4				0.3	0.0		
(year-on-year percent change)	-2.2	-2.5	-6.7	-2.3							
Inventory (thousands)	760	740	760	960	753	897	966	880	1,210	1,234	1,464
(percent change)	2.7	-2.6	-20.8	-10.3				-27.3	-9.7		
(year-on-year percent change)	-12.6	-14.9	-13.6	-11.1							
Months' Supply	1.7	1.5	1.7	2.0	1.6	2.0	2.2	2.2	3.1	3.1	4.0
Average Sales Price (\$000)	374.4	372.4	377.3	377.6	374.7	375.7	375.4	308.2	297.6	293.4	266.7
(year-on-year percent change)	8.4	9.1	9.2	9.0				3.6	0.0		
Median Sales Price (\$000)	363.8	356.7	361.3	361.3	360.6	360.1	358.0	272.3	259.5	254.5	223.8
(year-on-year percent change)	15.5	15.8	15.2	14.5				5.0	0.0		

Source: National Association of Realtors via Bloomberg. Our calculations.

Existing Single Family Home Months' Supply



Median Existing Single Family Home Price

