

# U.S. Data Review

- Existing home sales: off in June; mediocre level of activity

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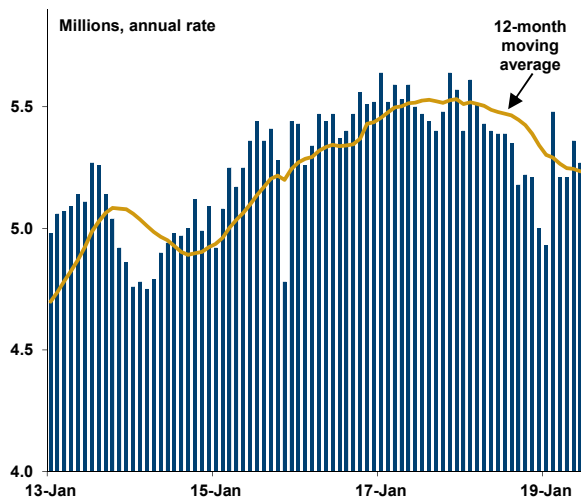
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## Existing Home Sales

Sales of existing homes fell 1.7 percent in June, a sharper decline than the expected dip of 0.4 percent. Part of the surprise was the result of an upward revision to the prior month (now showing an increase of 2.9 percent rather than 2.5 percent), but the level of sales in June also was softer than expected (5.27 million units, annual rate, versus an expectation of 5.32 million). The current level of sales is firmer than readings around the turn of the year, but activity remains below levels seen in 2017 and the first half of 2018 (chart, left). Sales have responded to lower interest rates, but only moderately so.

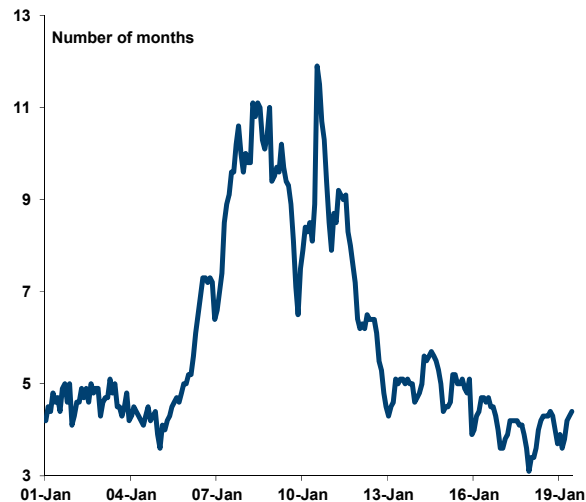
The National Association of Realtors cited again a tight inventory of homes as an explanation for less-than-robust sales, although this situation improved slightly in June. The number of homes for sale rose 1.0 percent in June, equal to the seasonal norm for this not seasonally adjusted series. The pickup in inventory, along with the drop in sales, led to a slight increase in the months' supply of homes (4.4 versus 4.3 in May). The new reading on months' supply was below many observations in other recent years and a bit light relative to readings in the early 2000s (before the bubble and recession). The NAR also raised the possibility that a reduction in tax incentives might be constraining sales, although officials indicated that it was too soon to discern the effect of the tax act.

### Existing Home Sales



Source: National Association of Realtors via Haver Analytics

### Months' Supply of Unsold Homes



Source: National Association of Realtors via Haver Analytics

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