

# U.S. Data Review

- Existing home sales: down from an elevated level in February

**Michael Moran**

Daiwa Capital Markets America  
 212-612-6392  
[michael.moran@us.daiwacm.com](mailto:michael.moran@us.daiwacm.com)

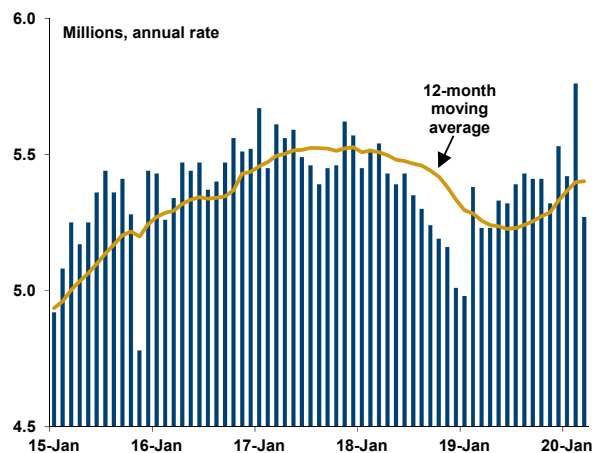
## Existing Home Sales

Sales of existing homes fell 8.5 percent in March to 5.27 million units (annual rate), about equal to the expected decline of 9.0 percent to 5.25 million units. Logic might suggest that the coronavirus limited sales of existing homes, but we view the illness as having a small influence. Existing sales are based on closed transactions, and closings in March were most likely driven by contracts signed in January and February, before the virus took hold in the U.S. We view the drop in March as primarily a cooling from an unusually firm level in February that would have been difficult to sustain. The February reading, although revised down slightly, was the strongest of the latest expansion, 1.6 percent firmer than the previous cyclical high and 8.1 percent above the average in 2019 (chart, left).

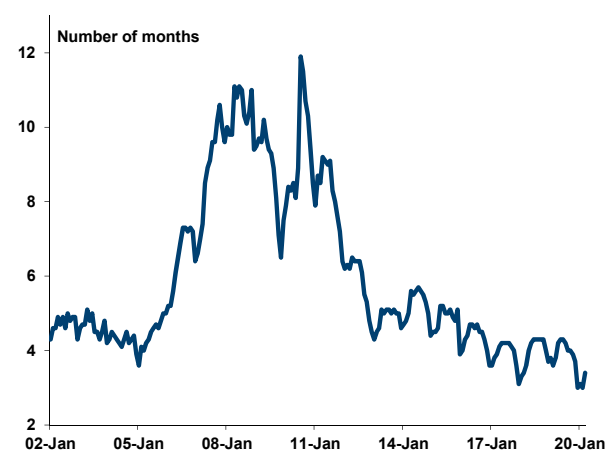
The decline was broad-based geographically, as all four major regions of the country retreated. The drop in the West was especially sharp (off 13.6 percent), but other regions also contributed negatively (declines ranged from 3.1 to 9.1 percent).

The number of homes on the market rose 2.7 percent, about equal to the average for March in the prior 10 years (this series is not seasonally adjusted; changes should be evaluated relative to typical results for a particular month). This increase, along with the drop in sales, led to a jump in the months' supply of homes to 3.4 months in March, up from 3.0 in February. The pickup in inventor is welcome, but it is still lean by historical standards (chart, right).

### Existing Home Sales



### Months' Supply of Existing Homes for Sale



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