

U.S. Data Review

- Existing home sales: cooling, although still respectable

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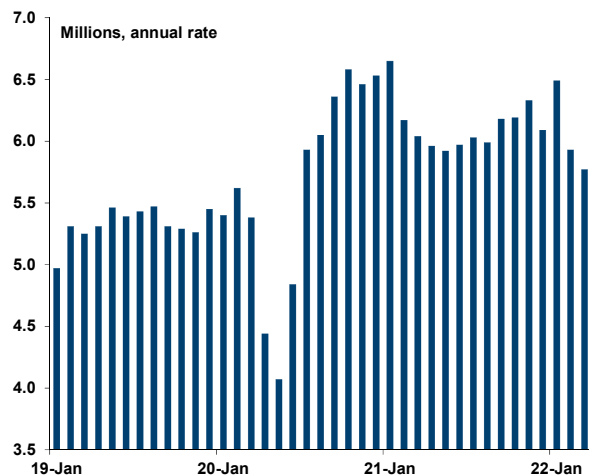
Existing Home Sales

Sales of existing homes fell 2.7 percent in March from a downward revised level in February (1.5 percent lighter than previously believed). The combined changes left the number of homes sold at 5.77 million (annual rate), exactly equal to the consensus estimate. March brought the second consecutive monthly decline and the third in the past four months, with the changes pushing activity to its lowest level since the early months of the current expansion (chart, left). The combination of elevated prices and now-higher mortgage rates seem to be cooling demand. While activity is slowing, it is not collapsing, as sales in March remained respectable by historical standards (still above all observations in the previous expansion).

The easing in March was broad-based geographically, with three of the four major regions posting declines and the other (the West) showing no change. All four regions have lost ground in the past three or four months. Activity in the West in has remained within the recent range, while the others have moved to their lowest levels since the early stages of the current expansion.

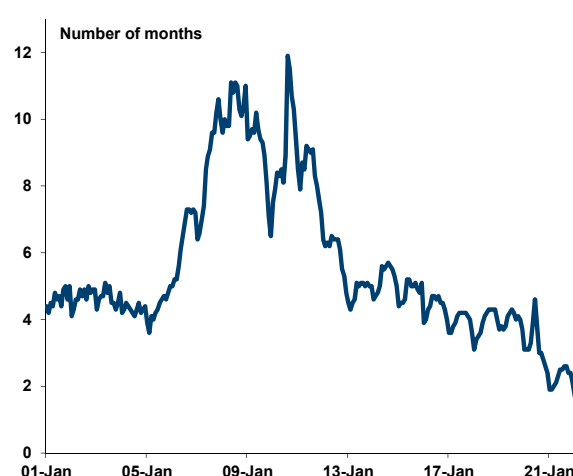
With new sales slowing, the number of homes on the market jumped 11.8 percent, much larger than the norm for March (this series is not seasonally adjusted, and the average increase for March in the prior 10 years totaled 2.6 percent). The increase in the number of homes for sale, along with the slower sales pace, left the months' supply of homes at 2.0 months, up from the record low of 1.6 in January but still notably lean by historical standards (chart, right).

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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