

# United States

Existing-Home Sales

Date Published

Oct 20, 2022 ▼



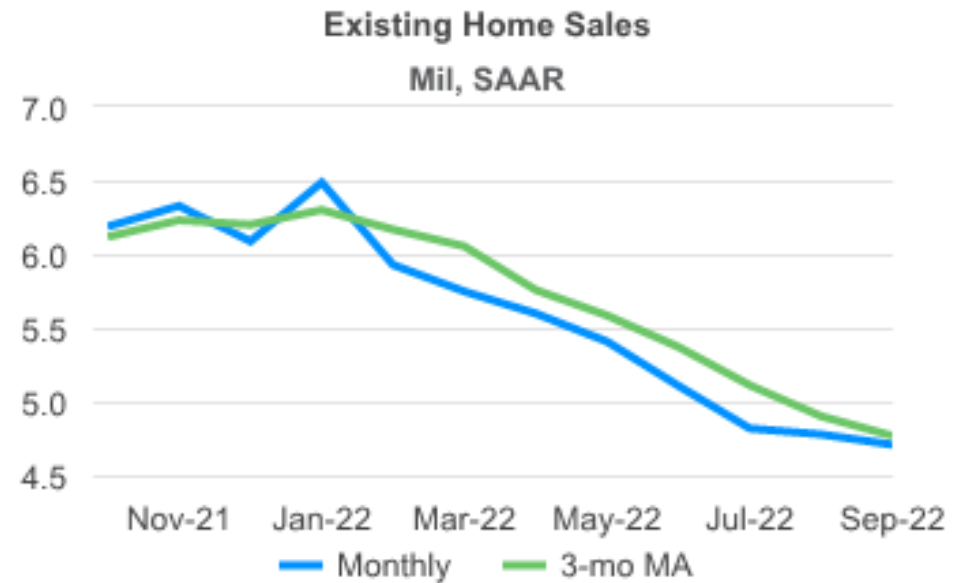
Todd Metcalfe

Actual	4.71 mil, SAAR
Previous *	4.80 mil, SAAR
Moody's Analytics	4.69 mil, SAAR
Consensus	4.69 mil, SAAR
Coverage	Sep. 2022
Next Release	Nov 18, 2022
Updated	Oct 20, 2022

[Definition](#) [Source](#)

## First Take

Rising mortgage rates continue to hammer existing-home sales as housing affordability further erodes. Existing-home sales dropped to 4.71 million units annualized, extending the string of declines since the beginning of the year. They are now down nearly 24% compared with a year ago. Both condos and single-family homes saw large declines, dropping to 490,000 annualized units and 4.22 million annualized units, respectively, in September. Further, all census regions saw significant declines in sales


[Customize this chart](#)

compared with last year.

	Existing-home sales							
	Sep 22	Aug 22	Jul 22	Jun 22	May 22	Apr 22	Mar 22	Feb 22
<b>Mil, SAAR</b>								
U.S.	4.71	4.78	4.82	5.11	5.41	5.60	5.75	5.93
Northeast	0.61	0.62	0.62	0.67	0.67	0.67	0.66	0.69
Midwest	1.14	1.16	1.20	1.23	1.25	1.31	1.27	1.33
South	2.08	2.12	2.13	2.25	2.41	2.48	2.61	2.70
West	0.88	0.88	0.87	0.96	1.08	1.14	1.21	1.21
<b>%change</b>								
U.S.	-1.5	-0.8	-5.7	-5.5	-3.4	-2.6	-3.0	-8.6
Northeast	-1.6	0.0	-7.5	0.0	0.0	1.5	-4.3	-11.5
Midwest	-1.7	-3.3	-2.4	-1.6	-4.6	3.1	-4.5	-11.3
South	-1.9	-0.5	-5.3	-6.6	-2.8	-5.0	-3.3	-8.2
West	0.0	1.1	-9.4	-11.1	-5.3	-5.8	0.0	-4.7
Months supply on market	3.2	3.2	3.2	2.9	2.6	2.2	1.9	1.7
Existing median home price, \$	384.8	391.7	399.2	413.8	408.4	395.5	379.3	363.7
Existing median home price, % change yr ago	8.4	8.4	9.5	12.8	15.0	14.3	14.6	15.6

## The Numbers

- Annualized seasonally adjusted existing-home sales were 4.71 million units in September. This is a drop of 1.5% from August when 4.8 million units were sold. This marks the eighth straight month of declining sales.

August, when 4.8 million units were sold. This marks the eighth straight month of declining sales.

- Condominium home sales fell further than single-family home sales. Condominiums fell 5.8% from August, to 490,000 annually adjusted seasonal units, while single-family sales were only down 0.9% from August, at 4.26 million homes. Condominiums were down 30% from September 2021, while single-family homes were down 23%.
- All census regions saw declines in sales compared to September 2021. The West saw the biggest decline compared to last year, down 31.3%. The West was followed by the South, which was down 23.8% on a year-ago basis. The Midwest and Northeast were both down similar amounts compared with last year, at 19.7% and 18.7%, respectively.
- Months' supply of housing at the current sales rate remained unchanged from August at 3.2 months. However, it is up significantly from September 2021 when only 2.4 months' supply of housing was available.

## Behind the Numbers

Existing-home sales have been driven down by steadily climbing interest rates. Mortgage rates averaged 6.11% in September 2022, more than double the rate in September 2021 of 2.9%. Rates have been steadily climbing as the Federal Reserve works to get inflation under control. This has led to a significant decline in affordability for homes.

The typical monthly mortgage payment, based on the median home price and 20% down payment, rose nearly 70% between the first quarter of 2021 and the second quarter of 2022. For existing-home sales, affordability is a double whammy. Most home sellers are also homebuyers. Since many potential home sellers are locked into mortgages at interest rates that can be less than half of today's rates, it is significantly harder for them to afford to move. Therefore, there is a disincentive for current homeowners to sell their home. Potential new-home buyers have not only been hurt by the rising cost of mortgages but have had to spend increasing amounts on rent and other necessities as inflation has risen.

Existing-home sales will remain weak this year but should be bottoming out as there is still significant need for housing. The supply of existing homes for sale is still tight at 3.2 months at the current sales rate. Over the next year, house prices will drop, which will help with affordability.