

Existing Home Sales Picked Up in November for Second Straight Month, But Still Near 15-Year Low

- Existing home sales increased in November from October, with stronger year-over-year growth.
- Sales were up in all regions except the West.
- Existing single-family sales rose on the month and over the past year.
- Low inventory and a lack of supply continue to push existing home prices higher.
- PNC expects the still-solid US labor market and falling interest rates to support a gradual housing recovery in 2025.

Total existing home sales rose 5% in November 2024 from October, to 4.15 million at a seasonally-adjusted annualized rate from 3.96 million in October, according to the National Association of Realtors (NAR). Both single-family and condo/co-op existing home sales have been near 15-year lows in 2024. This is in large part due to the 30-year fixed mortgage rate just below 7%, near to its highest level in almost 20 years. However, there has been a noticeable pickup in existing home sales since September; after falling through most of 2024 sales increased for a second straight month in November. On a year-ago basis total existing home sales turned positive in October after contracting for more than three years. Year-over-year sales were up 6% in November and 3% in October.

Monthly sales increased in the Northeast (up 9%), the South (up 6%), and the Midwest (up 5%) in November, with sales in the West unchanged. But sales growth was strongest in the West from a year earlier, up 15%. Sales increased 6% in the Northeast, 5% in the Midwest, and 3% in the South over the past year.

Both single-family and multifamily sales rose for a second straight month in November. Existing single-family home sales nationally rose 5% to 3.76 million, with sales of existing condos and co-ops up 3% to 0.39 million. Single-family home sales were up 7% over the past year, while existing multifamily home sales fell 5% on a yearly basis.

The inventory of existing homes for sale fell on the month regardless of type. The supply of single-family homes fell to 3.7 months at the current sales pace in November from 4 months in October (not seasonally adjusted). Condos and co-ops supply dropped to 5.1 months, from 5.5 months in October. The inventory of total existing homes for sale declined 3% to 1.33 million units, the lowest inventory level since June. Low inventory and a lack of supply continue to push prices higher. The seasonally unadjusted home price was \$406,100, an increase of 4.7% year-over-year, up from 3.9% in October and 2.5% in August.

Gus Faucher
Chief Economist

Jay Hawkins
Senior Economist

Stuart Hoffman
Senior Economic Advisor

Kurt Rankin
Senior Economist

Ershang Liang
Economist

The US economy remains strong at the end of 2024, with upwardly revised GDP growth in the third quarter. The still-solid labor market and mortgage rates that are down from last year have supported continued existing home sales, albeit near their lowest level in about 15 years. PNC expects two more 25 basis point cuts to the federal funds rate in the first half of 2025. Further monetary policy easing will help bring down the 30-year fixed mortgage rate and support increased affordability and demand for homebuying. More people moving and an increase in homebuilding will boost inventories and support stronger sales of existing homes next year.

PNC Economics

economics@pnc.com

Visit pnc.com/economicreports for more information from PNC Economics.