

Existing Single-Family Home Sales Dropped in April While Multifamily Sales Were Flat

- Existing home sales fell in April, both month-over-month and year-over year.
- Existing single-family home sales dropped on the month, but were still up from late 2023. Sales of condos and co-ops were flat on the month.
- The inventory of homes for sale increased in April due to a rise in supply and easing demand.
- Growth in the median sale price accelerated again in April.
- Existing home sales will pick up slightly in 2024.

Total existing home sales dropped 1.9% in April 2024, both on the month and over the past year, to 4.14 million at a seasonally-adjusted annualized rate, from 4.22 million in March 2024, according to the National Association of Realtors (NAR). Total existing home sales fell to a 13-year low in October 2023, but have picked up since then. Total existing home sales dropped in all regions on the month, with sales up year-over-year only in the West.

Existing single-family home sales dropped on the month and over the past year. Existing single family home sales dropped 2.1% in April to 3.74 million after declining 3.8% in March. Despite the recent retreat, existing single-family home sales were still up from last October's level. The 1.3% year-over-year drop in April was also a slowing from the 2.3% contraction in March.

Sales of existing condos and co-ops remained unchanged at 0.4 million from last month after declining 2.4% in March. On a year-over-year basis sales of existing condos and co-ops were down 7%.

The number of homes for sale jumped 9% in April from March and were up 16.3% over the past year. Demand for existing home sales eased somewhat with an increase in the 30-year fixed mortgage rate in recent months. A pickup in inventory and easing demand resulted in a rise in the seasonally-adjusted supply of existing homes for sale, up to 3.5 months at the current sales pace in April, from 3.2 months in March.

The median sale price of an existing home was up 5.7% in April from a year earlier. This was an acceleration from the 4.7% pace in March. With tight supplies house prices continue to increase despite very low affordability. Prices were up 9.3% in the West, 8.5% in the Northeast and 6% in the Midwest. The median sale price of an existing home in the South rose the least among all four regions, up 3.7% from last year.

Existing home sales dropped in March and April after experiencing a minor rebound from last October; rising mortgage rates in March and April weighed on both homebuilder confidence and housing demand. Homebuilder confidence in April dropped, and total existing home sales also experienced losses regardless of region. Elevated mortgage rates, along with low resale home inventories, weighed on housing market activity.

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PNC expects mortgage rates to decline through the rest of 2024 as inflation eases, economic growth slows, and the Federal Open Market Committee cuts the fed funds rate in the second half of this year. Existing home sales will experience a slight rebound this year when housing affordability improves and the 30-year fixed mortgage rate drops.

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