Existing Home Sales Rise in May

Resales rose 2.5% to a 5.34 million-unit pace during May. Home sales continue to gradually improve as mortgage rates trend lower. Single-family home prices picked up 4.6% year-over-year during May.

Low Mortgage Rates Provide a Lift to Resales
- Existing home sales increased 2.5% during May. Resales continue to gradually improve alongside sliding mortgage rates and an upturn in mortgage applications. Overall sales are still down 1.1% over the year, but are trending in the right direction.
- The recent rise in inventories should support sales in coming months. Inventories are still low relative to prior norms, but grew to 1.92 million in May and are up 2.7% year-over-year.

Sales Improve in Every Region
- The median single-family home price picked up 4.6% year-over-year to $280,200. Home price appreciation has been cooling recently, however strong sales in the relatively high-priced Northeast and West likely provided a boost to prices during May.
- Sales improved in every region during May, led by a 4.7% rise in the Northeast. The Midwest also saw a solid 3.4% gain. The South and West each registered a 1.8% improvement in sales.

Source: National Association of Realtors, Freddie Mac and Wells Fargo Securities