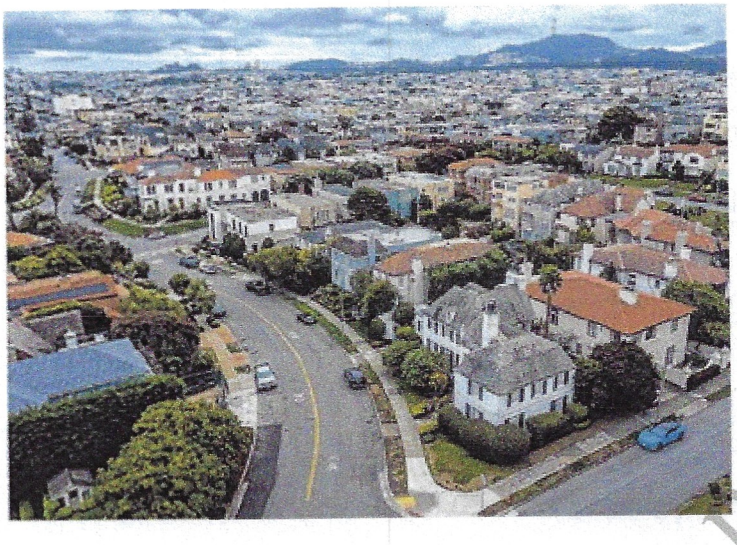
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The national median existing-home price in October rose 0.4% from a year earlier, to $416,700. DAVID PAUL MORRIS/ BLOOMBERG NEWS

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Home Sales Plummet To Level Not Seen In 16 Years

BY NICHOLAS G. MILLER

Home sales declined in October to their lowest level since 2010, a new trough for a housing market that has been hovering near rock bottom for more than four years.

Sales of existing homes fell 5.5% to a seasonally adjusted annual rate of 3.75 million, the National Association of Realtors said Thursday, marking the steepest decline since January. Economists surveyed by The Wall Street Journal expected a decline of 3.8%.

The last time sales were this low was August 2010 when the economy was still reeling from the housing bust and the recession that followed. Sales fell 8.8% from last October, which marked the largest year-over-year decrease since 2023.

The October sales mostly reflect purchase contracts signed in September, when a selloff in

the bond market caused mortgage rates to take off beyond 7%. Real-estate agents and mortgage lenders have reported that since then, open houses have gone quiet and buyers have stopped their search.

Rates rose even higher in October, indicating the worst sales numbers might be yet to come; 30-year mortgage rates fell to 7.11% from 7.18% last week, the fourth consecutive week of declines, according to Freddie Mac. A year expected to herald the housing market's resurgence is instead drawing to a close on a dour note.

The national median existing- home price in October rose 0.4% from a year earlier, to $416,700, NAR said. Prices have largely leveled off as mortgage rates have frozen demand, but they have still crept to record levels as homeowners have held on to their low mortgage rates from years ago, hurting inventory.

"We're really in uncharted territories when you're talking about record sale prices coupled with higher interest rates," said Christina Ray, an agent in Denver.

The historically low sales rate in October appears even more extraordinary given optimism near the start of the year that the housing market would begin to recover.

Mortgage rates briefly touched below 6% in February, spurring a flurry of buyer activity and belief that home sales were on their way back to prepandemic levels.

T h e y jumped after the U. S. attacked Iran and have continued rising as the war has drawn on and artificial-intelligence firms spend wildly, which together have boosted inflation.

Now, after repeatedly seeing its predictions for a looming recovery sour, the housing industry is d o w n b e a t again. " Everyone seems to be waiting for the rates to drop and I'm just not super optimistic that that's going to be happening next year. So, I think we need to navigate the market that we're currently in," Ray said.

Mortgage rates are likely to remain elevated next year as the Federal Reserve faces pressure to continue raising shortterm interest rates to fight inflation, economists said.

The Labor Department said this week that consumer prices rose by 0.4% in October, which surpassed expectations. That caused 10-year Treasury yields, which mortgage rates track, to rise.

Goldman Sachs Research economists forecast last month just 3.9 million existing home sales in 2027, compared with well above 5 million before the pandemic. The last time sales for a calendar year came in below 4 million was 1995.

The disappearance of many prospective buyers as rates have risen has given those who can stomach the higher costs more leverage.

Sellers have been offering significant concessions, often to help buyers buy down their mortgage rates. Ray said that 65% of October closings in the Denver market included seller concessions.

For John Krueger, the retreat of other buyers presented an opportunity in the booming area of Northwest Arkansas.

Without much competition, he closed on a house last month originally listed at $540,000, for $490,000. His job in financial services allowed him to get an adjustable- rate mortgage with a lower initial rate of 6.15%.

"I know that sadly a home's not affordable for very many," he said. "I knew there wouldn't be a ton of buyers."

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Home sales slumped in October to slow pace

The Denver Gazette · 13 Nov 2026 · C1 · The Associated Press

Sales of previously occupied U.S. homes slumped in October to their slowest pace in more than 16 years as mortgage rates climbed sharply, ratcheting up borrowing costs for aspiring homebuyers.



Existing home sales fell 5.5% last month from September to a seasonally adjusted annual rate of 3.75 million units, the National Association of Realtors said Thursday. That's the slowest annual sales pace since August 2010, when the market was still reeling from the late-2000s U.S. housing crash.

Sales sank 8.8% compared with October last year. The latest sales tally fell short of the 3.8 million pace economists were expecting, according to FactSet.

"It is just a tough market for buyers and sellers," said Lawrence Yun, NAR's chief economist.

Home sales have been mostly hovering close to a 4 million annual pace going back to 2023, far short of the historic norm that is closer to 5.2 million. October is the third month in a row that the annual sales pace has remained below 4 million.

The sharp pullback in sales comes as the average rate on a 30-year mortgage climbed above 7% in September and hit its highest level in nearly three years last month.

Despite the latest pullback in sales, home prices continued to march higher nationally last month, albeit at a slower clip. The U.S. median sales price rose 0.4% in October from a year earlier to $416,700, an all-time high for the month of October based on data going back to 1999, NAR said. Home prices have risen on an annual basis for 40 months.

The U.S. housing market has been in a slump since 2022, when mortgage rates began to climb from pandemic-era lows. Sales of previously occupied U.S. homes were essentially flat last year, stuck at a 30-year low.

This year, sales have been in a rut in large part due to rising mortgage rates, which have risen sharply in the months since the war between the U. S. and Iran started in late February. Expectations of higher inflation amid surging oil prices have pushed up the long-term bond yields that lenders use as a guide to pricing home loans, driving mortgage rates higher.

The average rate on the benchmark 30-year mortgage reached 7.4% early last month, its highest level in nearly three years, and has remained above 7% since. It briefly dipped below 6% before the war started. It declined to 7.11% from 7.18% last week, mortgage buyer Freddie Mac said Thursday.

Many of the homes purchased last month likely went under contract in September and August, when the average rate on a 30-year mortgage ranged from 6.65% to 7.03%, according to Freddie Mac.

The sharp rise in mortgage rates, which can add hundreds of dollars a month in costs for borrowers, has led many wouldbe home shoppers to put their home shopping plans on hold.

However, those who can afford to buy at current rates or pay all cash, have a much wider selection of homes to choose from than they've had in years as properties sit on the market longer.

Although home inventory levels remain below historical norms, there were 1.59 million unsold homes at the end of last month — the highest level of unsold inventory on the market since November 2019, NAR said.

All told, unsold home inventory rose 1.3% last month from September and climbed 4.6% from October last year, NAR said.

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OCTOBER

Home sales slumped to slowest pace in over 16 years

Translate

By Alex Veiga
The Associated Press

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