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U.S. home sales rose in September but slowed from a year earlier. *curr*

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Sales of previously occupied U.S. homes rose in September from the previous month, but slowed compared to a year ago, the latest sign the housing market remains stalled as rising mortgage rates and home prices discourage prospective homebuyers.



Existing home sales rose 1.5% last month from August to a seasonally adjusted annual rate of 3.99 million units, the National Association of Realtors said Tuesday. One of the factors in the monthly increase is that sales in August were revised lower.

Sales fell 2.2% compared with September last year. The latest sales tally is slightly above the 3.98 million pace economists were expecting, according to FactSet.

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. September is the second month in a row that the annual sales pace has remained below 4 million.

Home prices continued to rise nationally last month. The U.S. median sales price increased 1.3% in September from a year earlier to \$417,500, an all-time high for the month of September based on data going back to 1999, NAR said. Home prices have risen on an annual basis for 39 months in a row.

“This is a very tough market out there, especially with mortgage rates rising,” said Lawrence Yun, NAR’s chief economist.

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 borrowing costs, as mortgage rates have marched higher in the months since the war between the U.S. and Iran started in late February. Expect-

ations 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 hit 7.4% last week, its highest level in nearly three years. It briefly dipped below 6% before the war started.

The sharp rise in mortgage rates, which can add hundreds of dollars a month in costs for borrowers, has led many would-be 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 1.6 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 1.9% last month from August and climbed 4.6% from September last year, NAR said.