

Sales of Existing Homes Slipped In August

BY WILL PARKER AND NICOLE FRIEDMAN

Sales of existing homes fell in August as high prices kept sales in check despite easing mortgage rates.

Home sales were down 0.2% from the prior month to a seasonally- adjusted annual rate of four million, the National Association of Realtors said Thursday. That was slightly stronger than the 1.2% decline economists surveyed by The Wall Street Journal had forecast.

The housing market is stuck in its third straight year of dismal sales. The median home price increased in August to \$422,600, up 2% from \$414,200 during the same month last year, just a bit shy of the record of \$435,300 set in June. Home prices have soared 52% since August 2019. - Note

Mortgage rates fell earlier this month to 11-month lows. Applications rose as some buyers and homeowners rushed to take advantage. But with the 30-year mortgage rate rising to 6.3% this week, many buyers are waiting for rates to fall more, real-estate agents say. Note

"Rates back below 6% appears to be at least one point in the process that will get sellers interested in moving and buyers interested in buying," said Bill Banfield, chief business officer at the mortgage company Rocket.

There is no clear sign that will happen. The Fed is expected to cut rates twice more this year, but those reductions might already be at least partially priced into today's mortgages, said Heather Long, chief economist at Navy Federal Credit Union.

Sales in August largely reflect purchase decisions made in July and June. - Note Rates began falling more in August, which NAR's chief economist, Lawrence Yun, said could give fall sales a boost.

Another positive has been a rise in supply. After a long stretch when inventory lingered below historical norms, the number of homes for sale has climbed in recent months.

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