Nov. sales slow across U.S., but 2015 still looking good

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Sales of existing homes fell all over the U.S. in November, sliding 6.1% to the slowest annual pace since May, the National Association of Realtors said Monday.

November's annual sales rate was 4.93 million, falling short of October's slightly lower revised rate of 5.25 million.

Economists' median forecast was for nearly flat sales, according to Action Economics' survey.

Economists generally waved off the report's headline, focusing instead on trends in affordability that they believe point to an improving market for 2015.



MICHAEL DWYER, AP

A bright spot: The share of first-time buyers climbed to 31%.

Monthly price gains are slowing compared with last year, and mortgage rates remain near historical lows, preserving opportunities for more buyers as hiring and wages improve. The average U.S. rate for a 30-year mortgage fell to 3.8% last week — the lowest this year, said mortgage giant Freddie Mac.

One positive comparison in Monday's NAR report: November's sales pace topped year-ago levels by 2.1%, the second straight month of higher year-over-year sales. October was the first month that happened in 2014.

Another one: The share of first-time buyers climbed to 31%, the highest level since October 2012. First-time buyers represented 29% of the existing-home sales market in October and this year.

However, the Realtors group also said the annual rate of sales fell in every region of the country in November compared with October. The declines measured 9.6% in the West, 9% in the Midwest, 4.2% in the Northeast and 3.2% in the South.

Total housing inventory also fell 6.7%, but at November's slower sales pace, it stayed at a five-month supply as in October. The supply of homes for sale typically falls in late fall and winter, but a six-month supply is considered a balanced market between buyers and sellers.

"Fewer people bought homes last month despite interest rates being at their lowest levels of the year," said Lawrence Yun, the NAR's chief economist. "The stock market swings in October may have impacted some consumers' psyche and therefore led to fewer November closings. Furthermore, rising home values are causing more investors to retreat from the market."

The median price for all existing homes was $205,300, up 5.0% from November 2013, NAR said.