



Economics Group

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Pending Home Sales Drop in November

The Pending Home Sales Index fell 0.9 percent in November, despite consensus expectations for a small increase. Gains in the South and the Midwest were overwhelmed by larger declines in the West and Northeast.

Pending Home Sales Decline

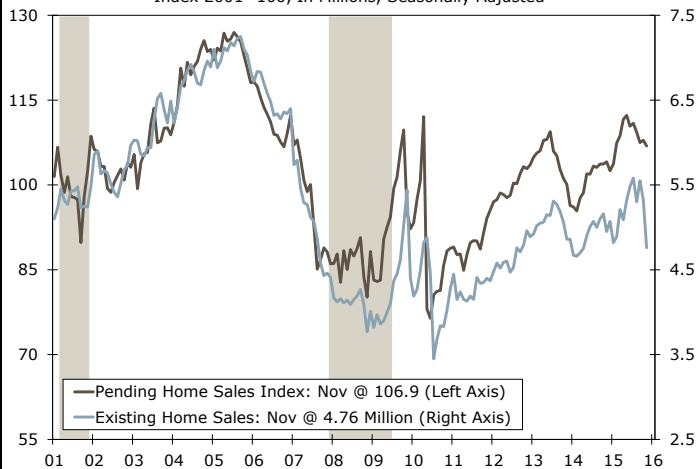
- Pending home sales fell in November, with the overall index declining 0.9 percent to 106.9, marking the third decline in the past four months. With this drop, pending homes sales fell below the series' six month average of 108.8.
- The slide in pending home sales is now too persistent to dismiss. Affordability has apparently become a more significant hurdle for potential buyers, as prices have risen much faster than incomes.

Sales Take a Tumble in the West

- Pending home sales rose modestly in the South and the Midwest. But those gains were offset by declines of 5.5 percent in the West and 3.0 percent in the Northeast, where prices are higher and rising faster.
- Existing home sales in the West also fell significantly in November, dropping 13.9 percent over the month and falling 4.8 percent below their year-ago pace. The sharp drop in pending home sales suggests that closings are likely to fall further in coming months.

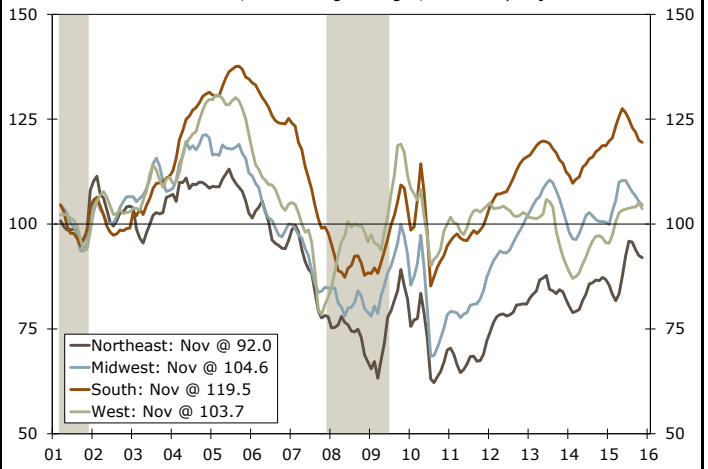
Pending vs. Existing Home Sales

Index 2001=100, In Millions, Seasonally Adjusted



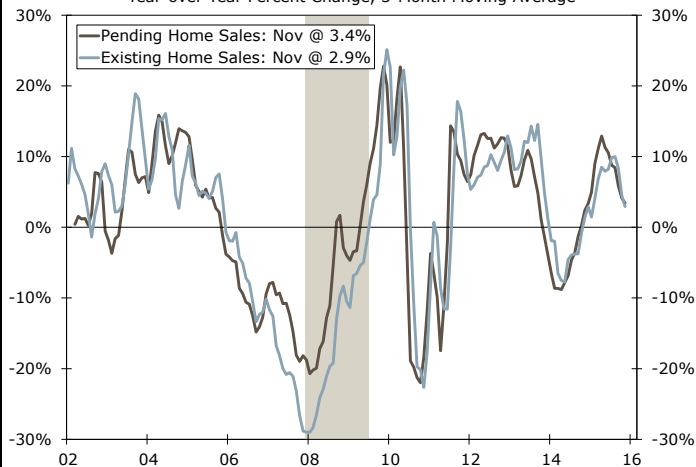
Pending Home Sales Index - By Region

Index 2001=100, 3-M Moving Averages, Seasonally Adjusted



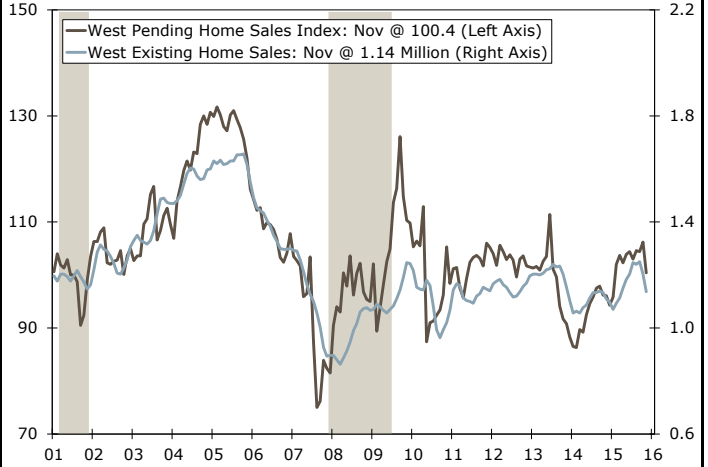
Pending vs. Existing Home Sales

Year-over-Year Percent Change, 3-Month Moving Average



Pending vs. Existing Home Sales - West

Index 2001=100, In Thousands, Seasonally Adjusted



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