



Forbes: Existing-Home Sales Retreat 1.8 Percent In June

Total existing home sales dropped to 5.52 million last month from 5.62 million in May.

Cassidy McAloon
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Existing home sales fell in June, according to new data from the National Association of Realtors cited in Forbes. Despite low supply keeping homes selling at a rapid pace, overall activity was slowed in all regions of the country outside of the Midwest.

Total existing home sales, which include completed transactions of single-family homes, townhomes, condominiums and co-ops dropped 1.8 percent to 5.52 million in June. That seasonally adjusted rate is down from 5.62 million in May. However, despite the decline, June's sales pace is nearly one percent over where it was at the same time last year.

In an interview with Forbes, Lawrence Yun, NAR chief economist, said, “Closings were down in most of the country last month because interested buyers are being tripped up by supply that remains stuck at a meager level and price growth that’s straining their budget. The demand for buying a home is as strong as it has been since before the Great Recession. Listings in the affordable price range continue to be scooped up rapidly, but the severe housing shortages inflicting many markets are keeping a large segment of would-be buyers on the sidelines.”

Fewer first-time buyers are deciding to make the leap into homeownership this year, which was reflected in June’s numbers. In fact, first-time buyers were 32 percent of sales last month, down from 33 percent both in May and one year ago.

Yun noted, “It’s shaping up to be another year of below average sales to first-time buyers despite a healthy economy that continues to create jobs. Worsening supply and affordability conditions in many markets have unfortunately put a temporary hold on many aspiring buyers’ dreams of owning a home this year.”

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