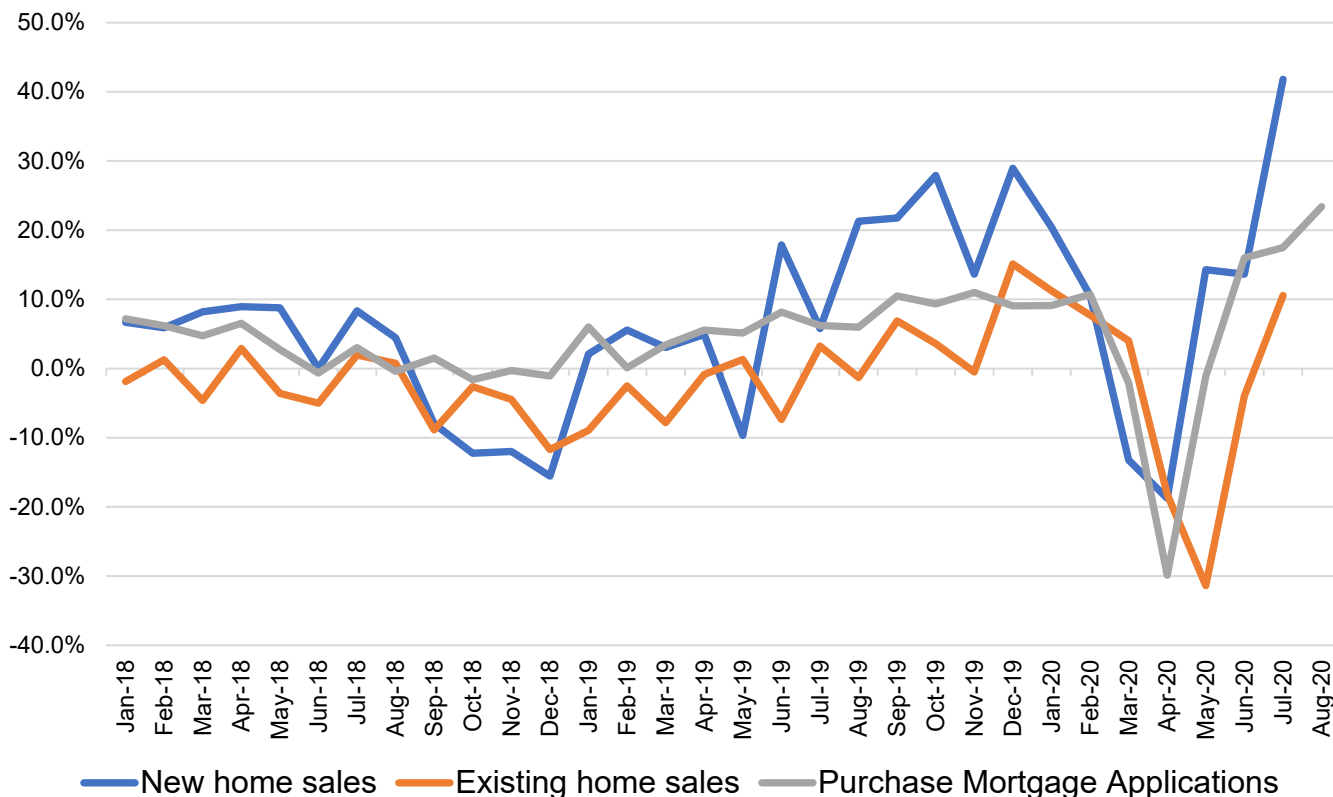


Chart of the Week - August 28, 2020 Home Sales and Purchase Applications Non-seasonally adjusted, year over year change



Source: Census Bureau, Mortgage Bankers Association, National Association of Realtors

As the U.S. economy works its way through the current pandemic and recession, housing has been a clear bright spot in an otherwise dire time. This week’s chart highlights the “V” shaped recovery exhibited by various measures of housing health. The boost to the purchase market has come not only from pent-up demand from delayed spring home buyers, but also from households who have been working from home during the pandemic and yearn for more space. Homebuilders have pointed to increased activity in less dense areas compared to neighborhoods closer to urban areas as a result.

Data from MBA’s [Weekly Applications Survey](#) showed that purchase applications fell as low as 30 percent year-over-year in April, but have risen steadily since May. In August thus far, they are around 23 percent higher than in August 2019. As of their respective July 2020 data releases, both new and existing home sales have not only rebounded from steep declines in April and May, but have exceeded pre-pandemic levels. Existing-home sales fell by as much as 31 percent in May, but were up 11 percent from pre-pandemic levels in July. Similarly, new home sales bottomed out with a 19 percent decline in April, but were 42 percent higher than a year ago in July.

The strong rebound reflects a strong housing environment that was evident before the pandemic, with low interest rates, tight supply and millennials entering their prime home buying years. However, we are not yet out of the woods. MBA’s research team continues to closely track the housing recovery as unemployment durations lengthen, and as the fall and winter arrive – all while the virus lingers.