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Existing-home sales rose in December, with home sales in 2020 reaching their

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“Home sales rose in December, and for 2020 as a whole, we saw sales perform at their highest levels since 2006, despite the pandemic,” said Lawrence Yun, NAR’s chief economist. “What’s even better is that this momentum is likely to carry into the new year, with more buyers expected to enter the market.”

Yun predicts a continuation of the strong activity that’s currently taking place in the housing market and in the overall economy.

“Although mortgage rates are projected to increase, they will continue to hover near record lows at around 3%,” Yun said. “Moreover, expect economic conditions to improve with additional stimulus forthcoming and vaccine distribution already underway.”

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Total housing inventory at the end of December totaled 1.07 million units, down 16.4% from November and down 23% from one year ago (1.39 million). Unsold inventory sits at an all-time low 1.9-month supply at the current sales pace, down from 2.3 months in November and down from the 3.0-month figure recorded in December 2019. NAR first began tracking the single-family home supply in 1982.

Properties typically remained on the market for 21 days in December, seasonally even with November and down from 41 days in December 2019. Seventy percent of the homes sold in December 2020 were on the market for less than a month.

“To their credit, homebuilders and construction companies have increased efforts to build, with housing starts hitting an annual rate of near 1.7 million in December,

with more focus on single-family homes,” Yun said. “However, it will take vigorous

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purchased 14% of homes in December, identical to the share recorded in November 2020 and a small decline from 17% in December 2019. All-cash sales accounted for 19% of transactions in December, down from 20% in both November and December 2019.

Distressed sales – foreclosures and short sales – represented less than 1% of sales in December, equal to November's percentage but down from 2% in December 2019.

“NAR will work with the incoming Biden administration in pursuit of policies promoting housing affordability and accessibility,” said NAR President Charlie Oppler, a Realtor from Franklin Lakes, N.J., and the CEO of Prominent Properties Sotheby's International Realty. “We were pleased with the homebuyer tax credit President Biden proposed as a candidate and we look forward to continuing our work with Congress and the White House. We will aim to find common ground, especially related to ways of boosting home supply and working toward solutions that will protect and support homeownership and America's broader real estate industry.”

According to Freddie Mac, the [average commitment rate\(link is external\)](#) for a 30-year, conventional, fixed-rate mortgage decreased to 2.68% in December, down from 2.77% in November. The average commitment rate across all of 2020 was 3.11%.

Single-family home sales rose at a seasonally-adjusted annual rate of 6.03 million in December, up 0.7% from 5.99 million in November, and up 22.8% from one year ago. The median existing single-family home price was \$314,300 in December, up 13.5% from December 2019.

### Single-family and Condo/Co-op Sales

Existing condominium and co-op sales were recorded at a seasonally-adjusted annual rate of 730,000 units in December, up 1.4% from November and up 17.7% from

one year ago. The median existing condo price was \$272,200 in December, an

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Northwest was \$382,100, up 19.8% from December 2019.

Existing-home sales in the Midwest were unchanged, recording an annual rate of 1,590,000 in December, but up 26.2% from a year ago. The median price in the Midwest was \$235,700, a 13.7% increase from December 2019.

Existing-home sales in the South increased 1.1% to an annual rate of 2,860,000 in December, up 20.7% from the same time one year ago. The median price in the South was \$268,100, an 11.3% increase from a year ago.

Existing-home sales in the West fell 1.4% from the month prior, recording an annual rate of 1,380,000 in December, a 17.9% increase from a year ago. The median price in the West was \$467,900, up 14.2% from December 2019.

The National Association of Realtors is America's largest trade association, representing more than 1.4 million members involved in all aspects of the residential and commercial real estate industries.

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