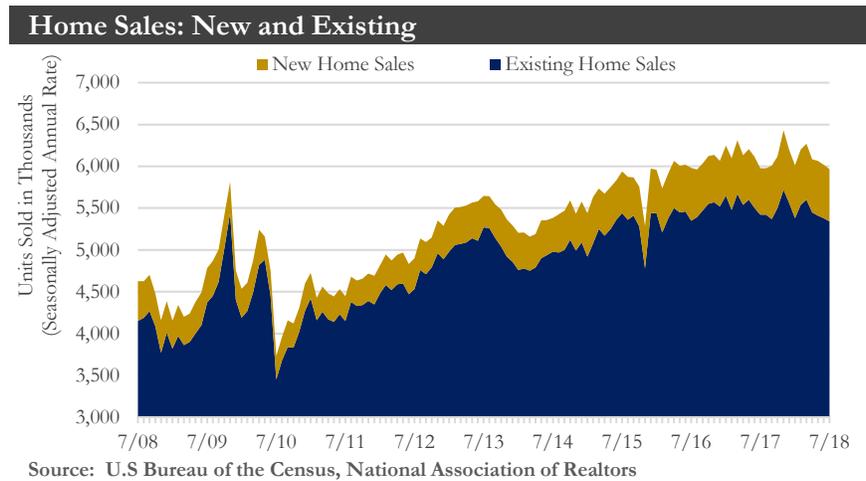


**CMC UPDATE: Housing Market Woes**  
 Abdur Chowdhury, Ph.D. Chief Economist

August 23, 2018

Existing home sales fell by 0.7% to 5.34 million in July, marking the fourth straight monthly decline. The pullback was concentrated in the condo and co-op segment. The West was the only region with an increase in activity last month. The number of homes available for sale remains low relative to historical levels.

The existing home market continues to suffer from a lack of supply. Low inventory levels and healthy demand fundamentals have been a recipe for rising prices and reduced affordability. The latter has been falling on a trend basis since early 2017. Not enough new homes being built adds to the supply challenge. New home construction faces rising material and land costs and labor shortages, constraining activity. These barriers are unlikely to dissipate quickly, constraining the housing sector's performance in the coming months.



Dr. Abdur Chowdhury is a Professor of Economics at Marquette University, the Chief Economist at Capital Market Consultants, Inc. (CMC) and a member of the Federal Reserve Board of Chicago's Academic Advisory Council. CMC provides capital market, investment manager and economic research to financial professionals (for more information about Capital Market Consultants, Inc. see our website at [www.cmarkc.com](http://www.cmarkc.com)).

\*\*\*\*\*

The opinions expressed herein are those of Capital Market Consultants, Inc. and may not reflect the opinions of other advisory firms or their affiliates. The information herein has been obtained from sources believed to be reliable, but we cannot assure its accuracy or completeness. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Any reference to past performance is not to be implied or construed as a guarantee of future results.

This email and any files transmitted with it are privileged and confidential. This email is intended solely for the use of the individual(s) or entity to which it is addressed. If you do not wish to receive CMC News Alerts please notify the sender. If you are not the named addressee, then any dissemination, distribution, and copying is strictly prohibited. Please notify the sender immediately, by email, if you have received this email in error and delete the message from your system. The sender does not accept liability for any errors or omissions in the content of this message that arise as a result of email transmission.