US home sales fall to 2010 low

LEVEL B1


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I. WARM-UP

1. What makes it easier or harder to buy a home?
2. How do interest rates affect your plans to borrow money?
3. Is renting or buying more common where you live? Why?

II. KEY VOCABULARY

mortgage
a loan used to buy a home, paid back over many years

rate
the level of interest shown as a percentage

previously owned
used by someone else before; not new

seasonally adjusted
changed to remove regular effects of seasons

slump
a period when activity falls and stays low

economist
a person who studies money, markets and growth

region
a large area of a country

yield
the interest earned on a bond

III. READING

Sales of previously owned homes in the US fell again in October. The National Association of Realtors (NAR) said transactions dropped 5.5 percent to a seasonally adjusted annual rate of 3.75 million, the lowest level since August 2010.

NAR's chief economist, Lawrence Yun, said buying is difficult while mortgage rates stay above 7 percent. Sales were down 8.8 percent compared with a year earlier. Month to month, sales fell in the Midwest, South and West regions, and held steady in the Northeast.

The housing market has been in a slump since 2022, when mortgage costs rose from pandemic-era lows. According to Freddie Mac, the average 30-year fixed-rate mortgage was 7.33 percent in October, up from 6.86 percent in September and 6.25 percent a year earlier.

Mortgage rates are influenced by inflation, Federal Reserve policy and bond investors' expectations, and they often follow the 10-year Treasury yield.

Reading text adapted from reporting by **Al Jazeera***: "Home sales in the US are at their lowest...". Original article linked at theenglishwire.com.*

IV. COMPREHENSION QUESTIONS

1. What annual sales rate did the NAR report for October?
2. How much did sales fall compared with a year earlier?
3. Which US region held sales steady month to month?
4. Since when has the housing market been in a slump?
5. What was the average 30-year mortgage rate in October?

V. DISCUSSION

1. Why are high mortgage rates a problem for buyers and sellers?
2. Should governments try to lower mortgage costs? How?
3. What signs would show your housing market is in a slump?
4. Is renting a better choice during high-rate periods? Why or why not?

VI. GRAMMAR FOCUS

Third conditional

Use the third conditional for unreal past situations and their results: If + past perfect, would have + past participle.

"If mortgage rates had fallen, **sales would have risen**.*"*
"If lending had been easier, **more buyers would have bought homes**.*"*

VII. GRAMMAR EXERCISE

Complete each sentence with the correct third conditional form.

1. If rates (drop) ___ last month, buyers would have returned. _____
2. Sales (be) ___ higher if inflation had eased sooner. _____
3. If mortgage costs (not/rise) ___ in 2022, sales would have held. _____
4. Buyers (save) ___ money if rates had stayed below 7 percent. _____
5. If the Federal Reserve (signal) ___ cuts, markets would have calmed. _____

Teacher's Notes

TEACHERS ONLY

These notes are designed to help you get the most out of this lesson. Please do not share this page with students.


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I. LESSON GUIDE

- Timing: 8–10 minutes warm-up, 8–10 minutes vocabulary, 10–12 minutes reading, 8–10 minutes comprehension, 10–12 minutes discussion. Fold grammar into reading/comprehension time as needed.
- Pre-teach mortgage, rate, seasonally adjusted, slump and yield with quick examples. Check students know economist and region.
- Reading: set a gist task (What happened to sales?). Then scan for numbers (3.75m, 5.5%, 8.8%, 7.33%) and regions. Sensitivity: housing costs can be personal; let students speak about the article's figures rather than their own finances.
- Differentiation: stronger students explain how the 10-year Treasury yield links to mortgage rates; others summarise one paragraph in two sentences.

II. DISCUSSION FACILITATION TIPS

1. Elicit both sides: buyers face higher payments; sellers face fewer offers. Ask for examples.
2. If students say "cut taxes", push for concrete steps (subsidies, guarantees) and likely effects.
3. Have pairs list three local signs, then compare lists and agree the top two as a class.
4. Take a quick poll, then group by choice and ask for two reasons and one risk from each side.

III. EXTENSION ACTIVITIES

Writing: Write an 80-word news brief using NAR's 3.75m rate, the 5.5% drop, and Freddie Mac's 7.33%.

Role-play: Student A is a journalist; Student B is NAR economist Lawrence Yun. Do a 3-minute interview on causes and regional trends.

IV. ANSWER KEY OVERVIEW

Comprehension questions: short factual answers from the text.

Grammar exercise: Third conditional

Discussion: open-ended. Accept any reasonable ideas supported by examples and reasoning.

Answer Key

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IV. COMPREHENSION QUESTIONS

1. What annual sales rate did the NAR report for October?
   3.75 million, seasonally adjusted.
2. How much did sales fall compared with a year earlier?
   Down 8.8 percent year over year.
3. Which US region held sales steady month to month?
   The Northeast.
4. Since when has the housing market been in a slump?
   Since 2022.
5. What was the average 30-year mortgage rate in October?
   7.33 percent.

V. DISCUSSION

Open answers. Accept any reasonable ideas supported by examples and reasoning.

VII. GRAMMAR EXERCISE

Complete each sentence with the correct third conditional form.

1. If rates ___ last month, buyers would have returned. **had dropped**
2. Sales ___ higher if inflation had eased sooner. **would have been**
3. If mortgage costs ___ in 2022, sales would have held. **had not risen / hadn't risen**
4. Buyers ___ money if rates had stayed below 7 percent. **would have saved**
5. If the Federal Reserve ___ cuts, markets would have calmed. **had signalled / had signaled**

VI. GRAMMAR FOCUS

Key point: Use the third conditional for unreal past situations and their results: If + past perfect, would have + past participle. (Examples constructed.)

"If mortgage rates had fallen, **sales would have risen**.*"*

"If lending had been easier, **more buyers would have bought homes**.*"*