

Existing Home Sales Bounced Higher in February

Sales of existing homes rose to an annual pace of 4.72M in February as the market continued to be largely driven by distressed sales (45 percent of the total). While foreclosure moratoriums out of Washington and those implemented by the banks directly may push sales lower in the coming months, they do not appear to have taken hold yet.

Sales Rose

- Existing home sales moved 5.1 percent higher on the month with increases in both single- and multi-family sales. Sales have held a roughly 4.5M to 4.7M unit range since November. Still, with distressed properties accounting for nearly half of the sales activity, pressure on prices remains.
- Median single-family prices rose slightly to just less than \$165,000 but are still down 15 percent from just a year ago.

Inventory Moved Higher

- While sales activity increased modestly, keeping the month's supply flat at 9.7 months, actual inventory moved higher for the first time since last summer.
- An overhang of inventory will continue to plague the market putting downward pressure on prices and construction activity for some time to come. The housing market will remain stressed until more reasonable inventory levels are restored.

