

## Economics Group

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### Existing Home Sales Ended 2009 with Sharp Drop

**The originally scheduled expiration of the first-time homebuyer tax credit pushed activity sharply lower; sales were down 16.7 percent to an annual pace of just 5.45 million units.**

#### Sales Were Down Sharply in December

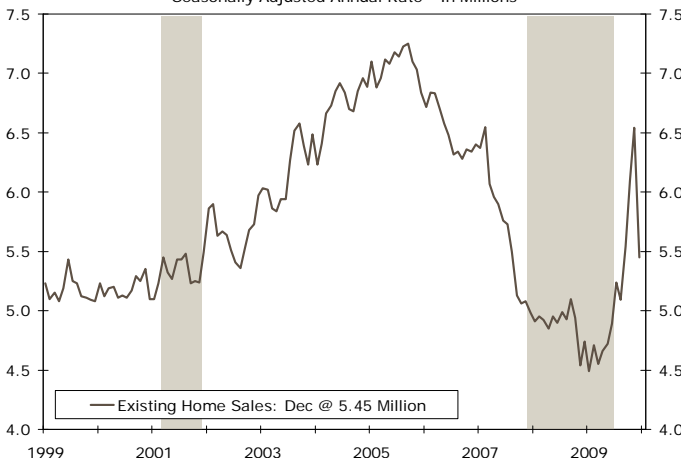
- Sales plunged in December as the originally scheduled expiration of the first-time homebuyer tax credit caused sales to be pulled forward into November. With the extension and expansion of the tax-credit we would expect sales to show solid gains in the coming months. Still, home sales will remain somewhat muted beyond tax-induced sales until consumers feel more confident about the labor market and their finances.

#### Median Prices Register a Year-over-Year Gain

- Median prices registered their first year-over-year increase (1.5 percent) since 2007 as lower priced activity fell off even more sharply than higher priced activity due to the scheduled tax credit expiration. Year-ago comparisons also continued to be lower.
- Progress on inventory continues, but we have a long way to go before the market will return to equilibrium.

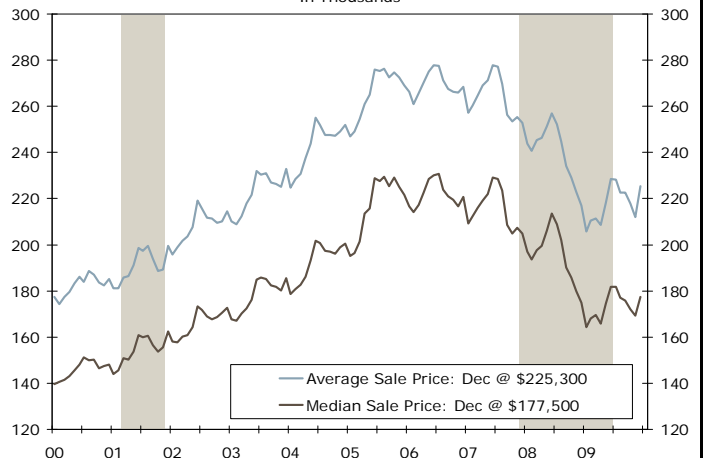
#### Existing Home Resales

Seasonally Adjusted Annual Rate - In Millions



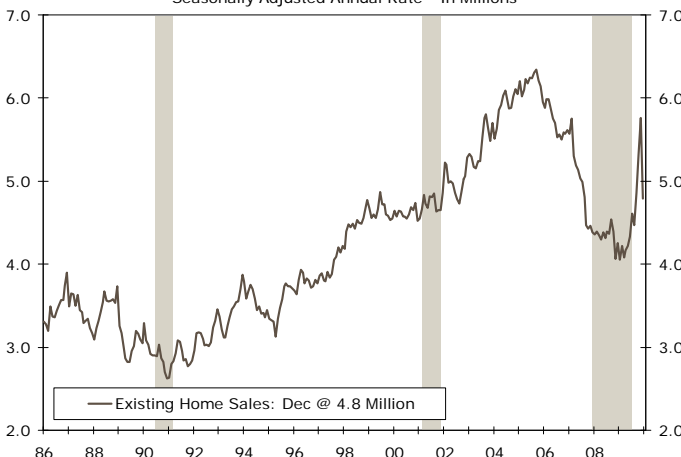
#### Existing Single-Family Home Prices

In Thousands



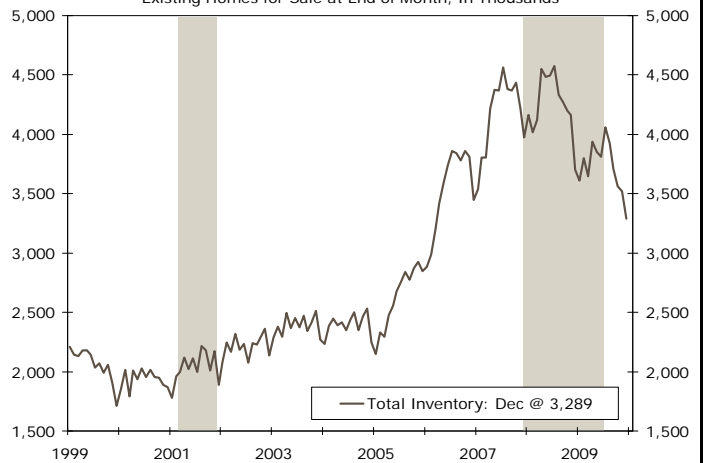
#### Existing Single-Family Home Resales

Seasonally Adjusted Annual Rate - In Millions



#### Inventory of Existing Homes for Sale

Existing Homes for Sale at End of Month, In Thousands



Source: National Association of Realtors and Wells Fargo Securities, LLC

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