



Economics Group

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Existing Home Sales Decline In February

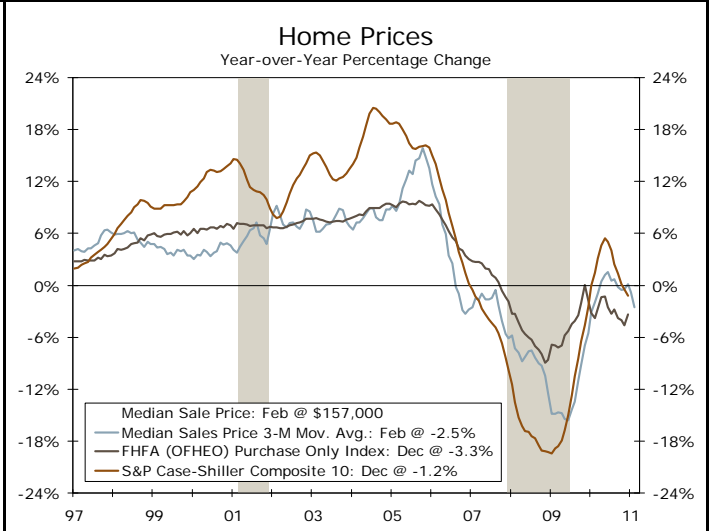
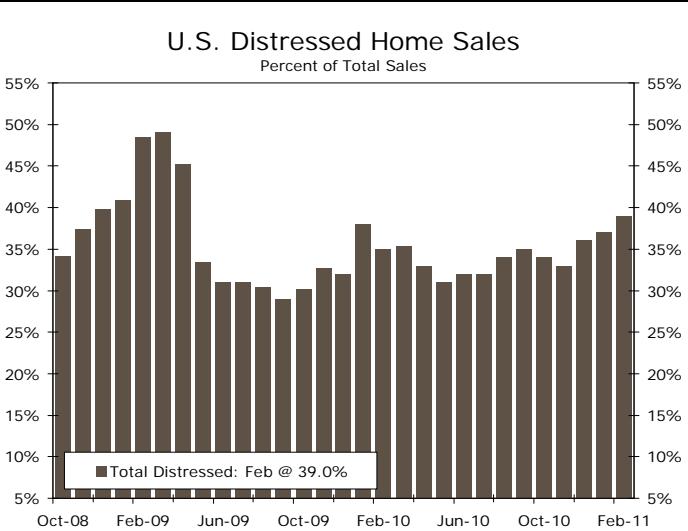
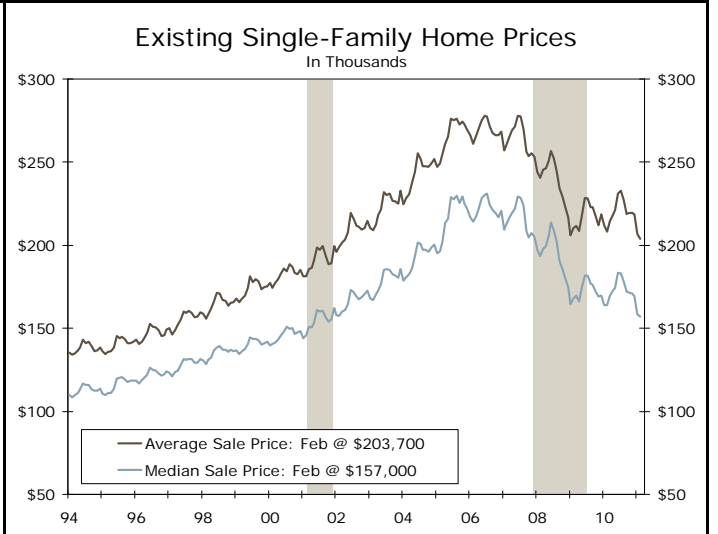
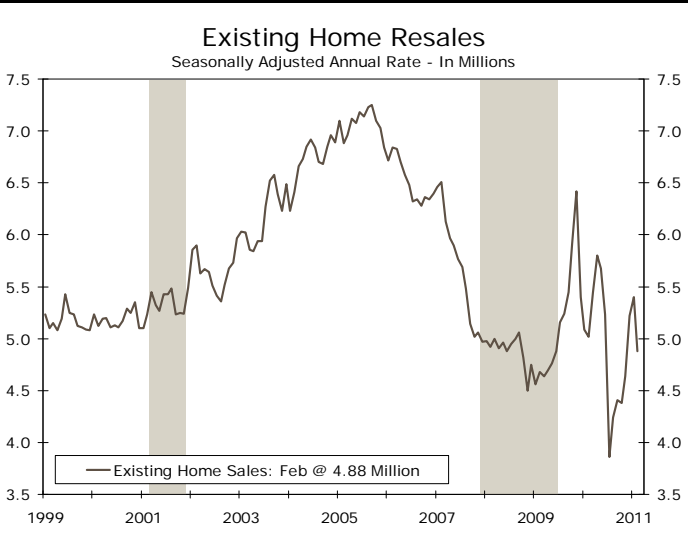
Sales of existing homes fell 9.6 percent in February, with declines evident in every region. Distressed sales accounted for 39 percent of all transactions, which pulled median and average home prices lower.

Weather Likely Held Back Buyers in February

- Sales of existing homes fell 9.6 percent in February as harsh winter weather likely kept buyers away in January, leading to fewer closings in February.
- Bargain hunters continued to scout out deals among the throngs of foreclosures and short sales. Distressed transactions accounted for 39 percent of all closings and cash purchases accounted for a record one in every three transactions.

Home Prices Continue To Slide

- With foreclosures and short sales accounting for a larger share of transactions, median and average sale prices slid further in February. The median price of an existing single-family home has fallen 4.2 percent over the past year to \$157,000, while the average price has declined a modest 2.2 percent to \$203,700.
- Falling prices have led to more conservative appraisals, which in turn has led to some delays in getting transactions closed.



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