



Economics Group

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Existing Home Sales Slide in April

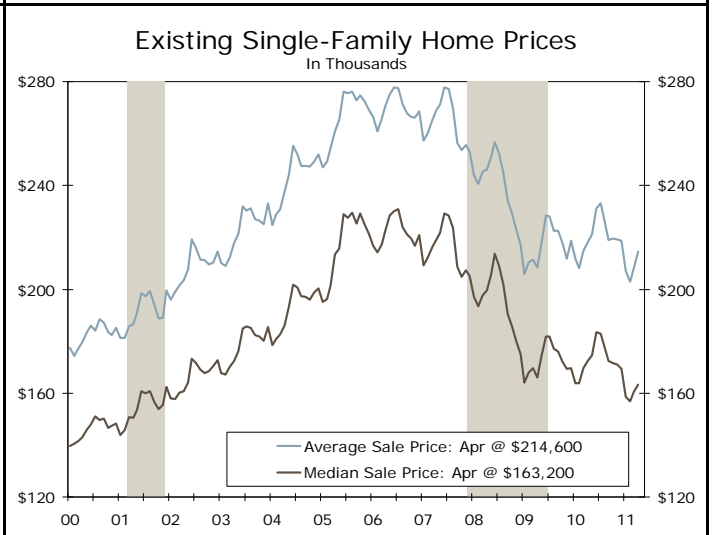
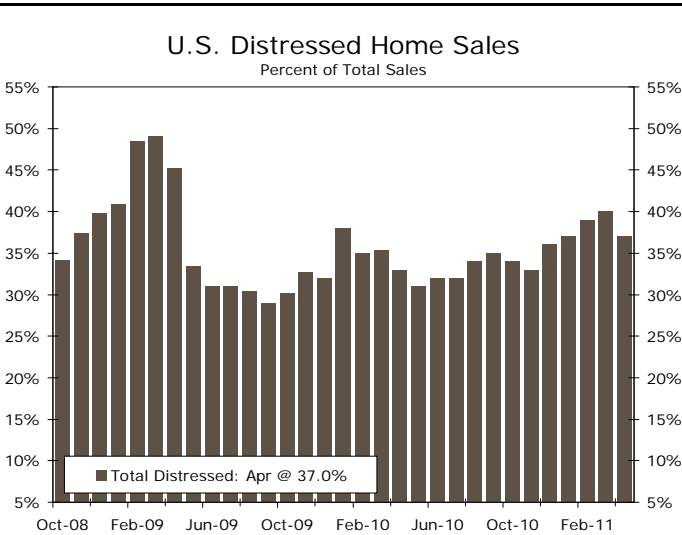
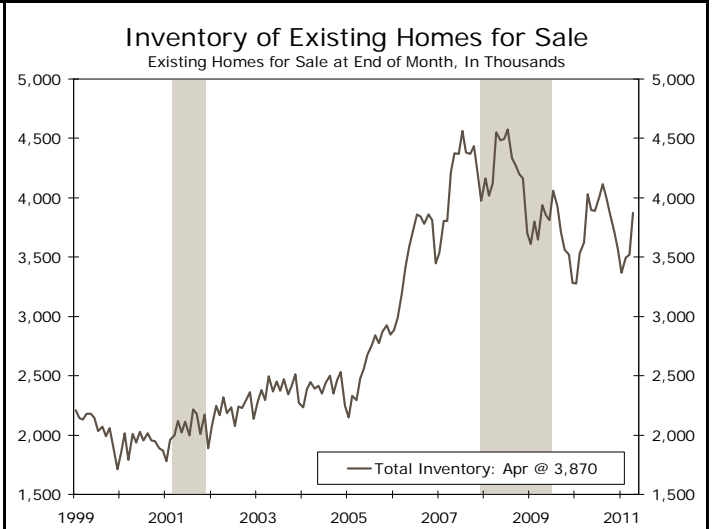
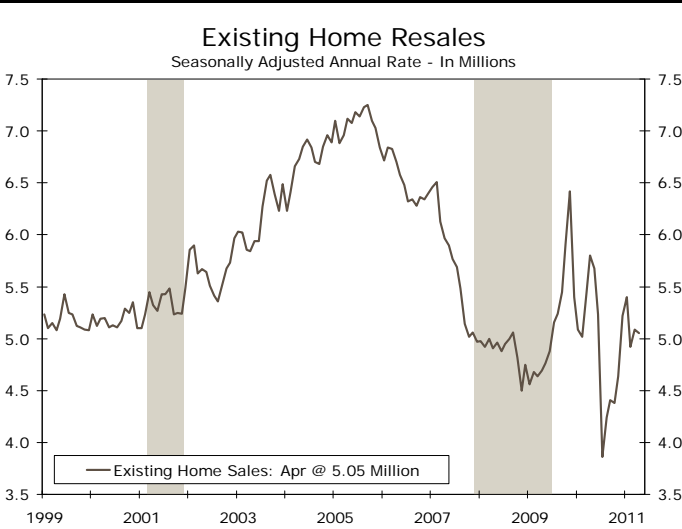
Existing home sales eased 0.8 percent in April to a 5.05 million-unit annual pace. Sales slid in most regions of the country, except for the Midwest, which saw a 5.7 percent gain on the month. Inventories increased.

Existing Home Sales Continue to Struggle

- Sales of existing homes fell 0.8 percent in April, with single-family sales declining 0.5 percent and sales of condominiums and co-ops falling 3.1 percent. Poor weather may be behind some of the decline.
- Tighter underwriting standards, tougher appraisals and a slowdown in distressed sales also likely cut April's sales figures. Distressed sales accounted for 37 percent of sales in April.

Rising Inventories Will Keep Pressure on Prices

- The inventory of existing homes rose 9.9 percent in April, which helped pull the month's supply figure back up to 9.2 months. Most of that increase was in single-family homes.
- Rising inventories and the mountain of properties in the foreclosure pipeline continue to put downward pressure on prices. The median price of an existing home fell 5.0 percent from last April to \$163,700.



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