



Economics Group

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Existing Home Sales Decline in May

Reflecting recent weakness in pending home sales, existing home sales declined 1.5 percent in May to a 4.55 million-unit pace. Median home prices increased in every region, as the share of distressed sales has declined.

Sales Activity Stalls, but the Trend Looks Favorable

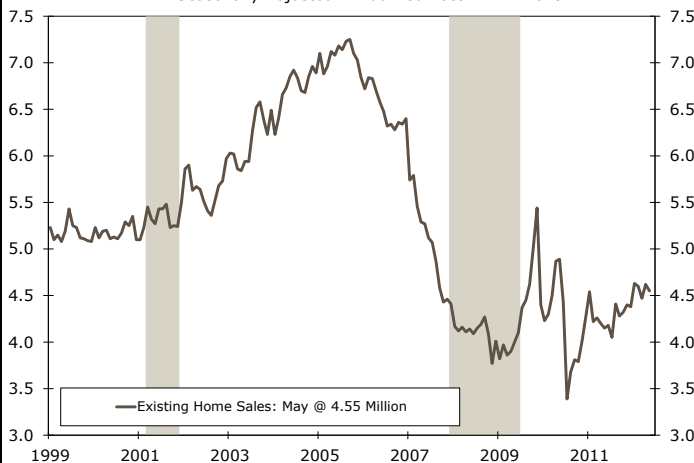
- Sales of existing homes fell 1.5 percent from an upwardly revised 4.62 million-unit pace in April. While sales activity has fallen in three of the past four months, much of the weakness reflects an uneven housing recovery and still a bit of a hangover from the mild winter weather. That said, at a 4.55 million-unit pace in May, the level is still in line with the trend. On a regional basis, sales increased only in the Midwest.

Share of Distressed Transactions Continue to Decline

- Median home prices rose 7.9 percent on a year-ago basis, with the South and West showing the largest gains. Much of this strength is due to the steady decline in the share of distressed sales. Distressed transactions comprised 25 percent of total sales (foreclosures 15 percent and short sales 10 percent), which is a significant decline from 31 percent a year ago. Moreover, anecdotal reports suggest trade up activity has picked up.

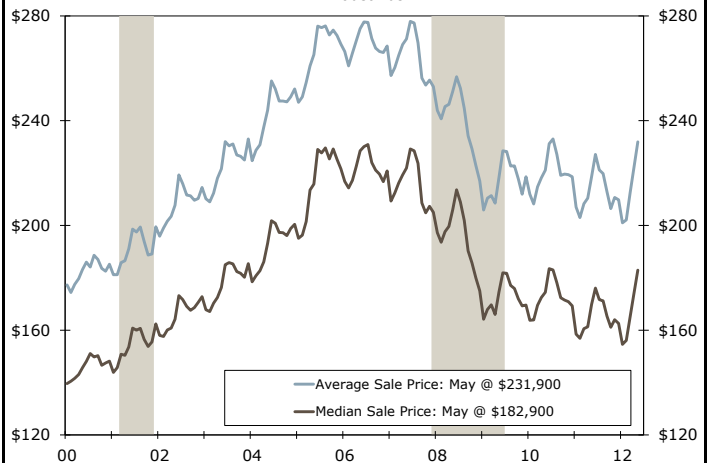
Existing Home Resales

Seasonally Adjusted Annualized Rate - In Millions



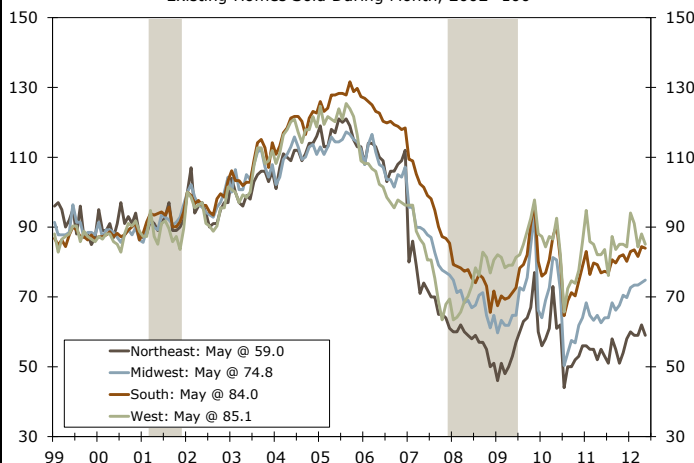
Existing Single-Family Home Prices

In Thousands



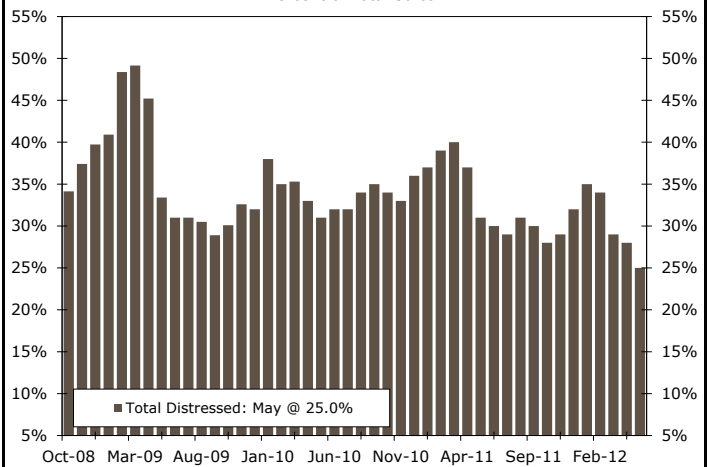
Existing Home Sales

Existing Homes Sold During Month, 2002=100



U.S. Distressed Home Sales

Percent of Total Sales



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