



Economics Group

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Surprise Decline in Existing Home Sales in June

Despite a gain in pending home sales in May, existing home sales unexpectedly fell 5.4 percent in June to a 4.37 million-unit pace. Listed inventories, however, continued to decline, which lifted median home prices.

Existing Sales Activity Remains on Track

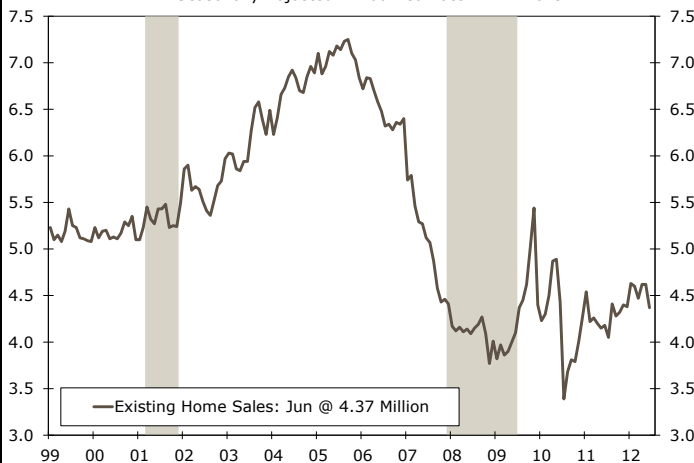
- Sales of existing homes sorely disappointed in June, falling 5.4 percent from an upwardly revised 4.62 million-unit pace in May. Sales in all regions fell on the month but are up on a year-ago basis. While sales activity retreated, listed inventory is now 24.4 percent below year-ago levels. With inventories dwindling, home prices continue to improve, suggesting continued stabilization in the housing market.

Share of Foreclosures Decline, Lifting Prices

- Median prices are up 7.9 percent on a year-ago basis, the fifth consecutive monthly gain. Much of the improvement is due to a change in the mix of sales and a decline in the share of foreclosure sales. Distressed sales have steadily declined since the beginning of the year but remained unchanged at 25 percent in May. Departing from the trend, the share of foreclosure sales declined to 13 percent, while short sales rose to 12 percent.

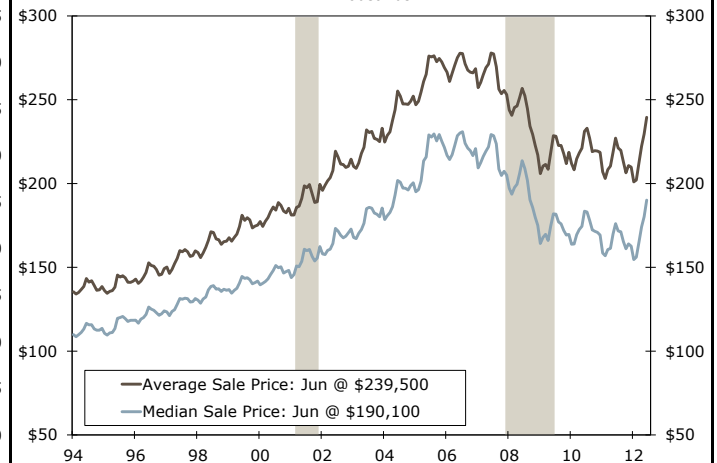
Existing Home Resales

Seasonally Adjusted Annualized Rate - In Millions



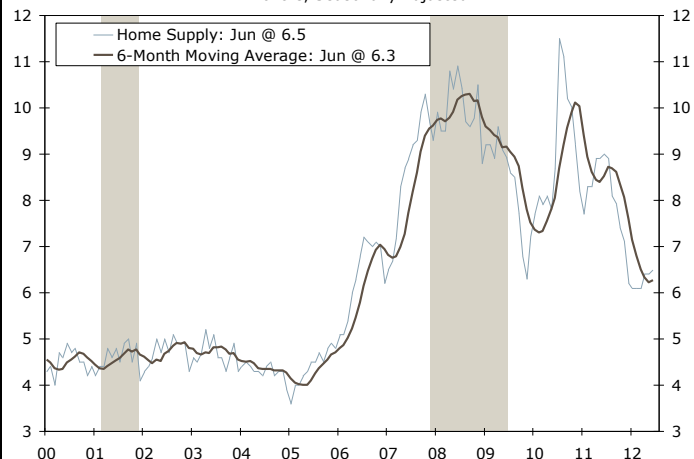
Existing Single-Family Home Prices

In Thousands



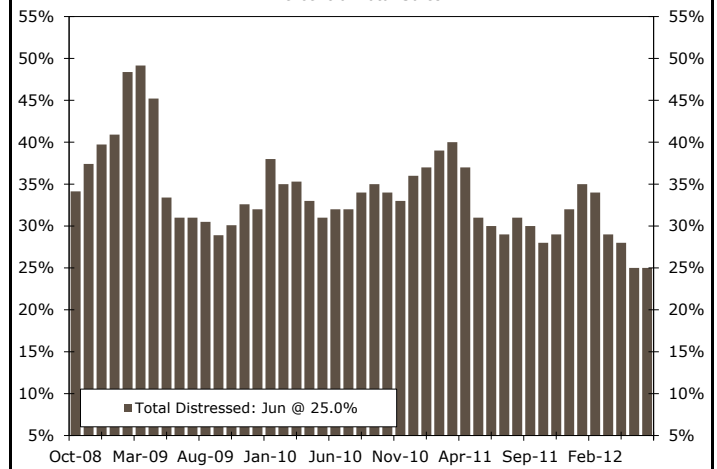
Existing Single-Family Home Supply

In Months, Seasonally Adjusted



U.S. Distressed Home Sales

Percent of Total Sales



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

Wells Fargo Securities, LLC Economics Group

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