



Economics Group

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Existing Home Sales Rose More than Expected in August

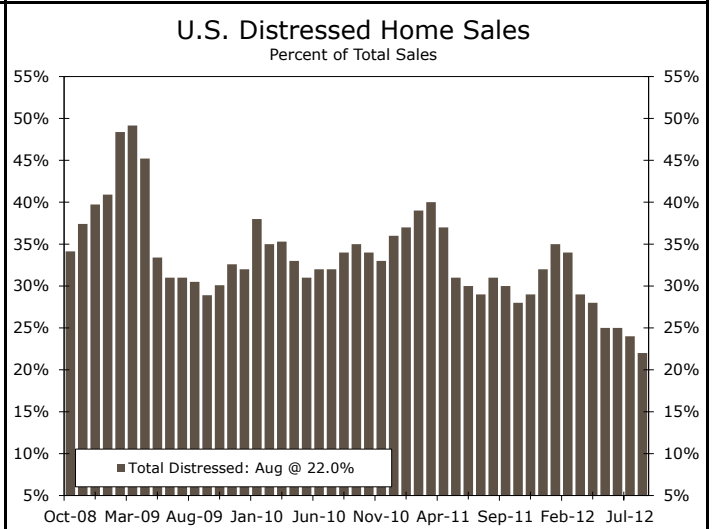
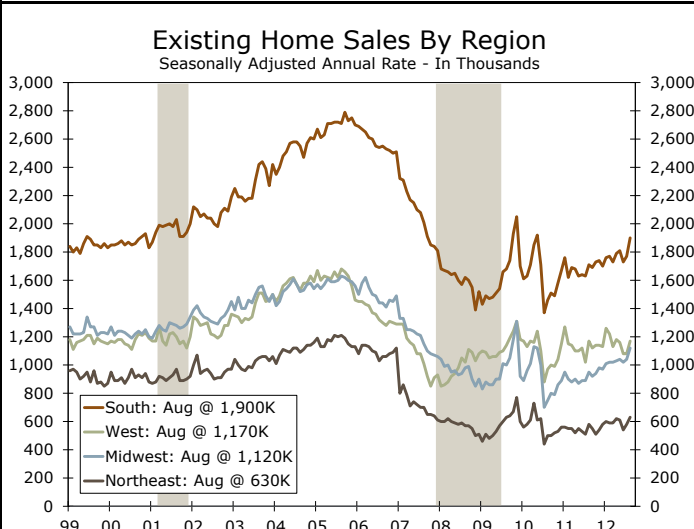
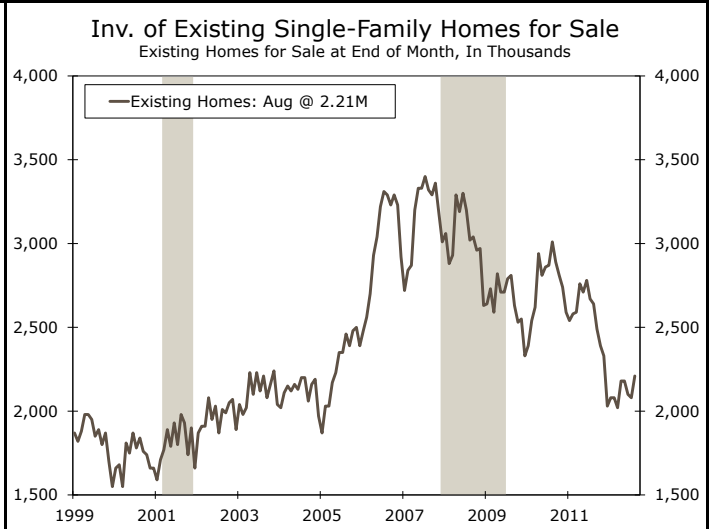
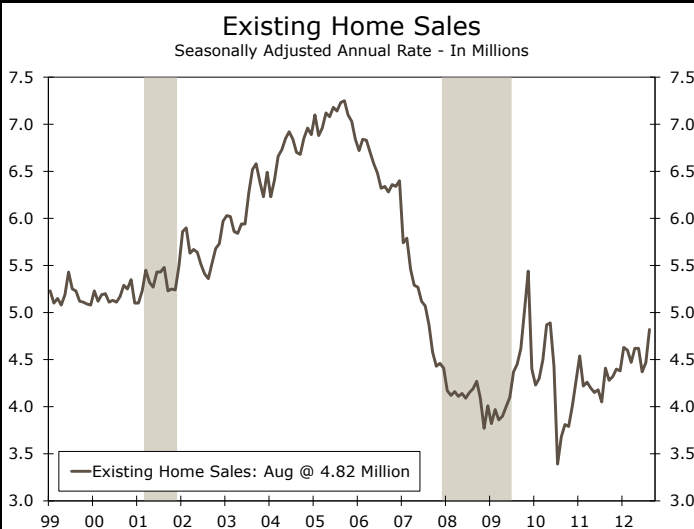
Existing home sales rose 7.8 percent in August to a 4.82 million-unit pace, the highest level since May 2010. Distressed sales fell to its lowest share on record at 22 percent. Inventories remain below year-ago levels.

Sales Activity Continues to Make Solid Progress

- Existing home sales jumped 7.8 percent in August, which was well above consensus estimates. Since the beginning of the year, existing home sales are now up 4.1 percent with the largest gain occurring in the Midwest. On the month, sales were up in every region. Inventories rose to 2.47 million, but are down 18.2 percent on a year-ago basis. The increase in inventories brought the months' supply down to 6.1 months.

Distressed Transactions Continue to Fall

- With inventories well below year-ago levels, 32 percent of homes sold in August were on the market for less than a month, while only 19 percent were on the market for six months or longer.
- Median home prices are up 9.5 percent over last year. Much of the gain continues to be due to the decline in overall distressed transactions. The share of foreclosures remained unchanged at 12 percent, while the share of short sales fell to 10 percent.



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

Wells Fargo Securities, LLC Economics Group

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