



Economics Group

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Existing Home Sales Slip Again in February

Sales of existing homes slowed to a 5.02 million unit pace in February, though the number reported today was somewhat stronger than the consensus had feared. Inventories increased.

Mixed Report for Sales

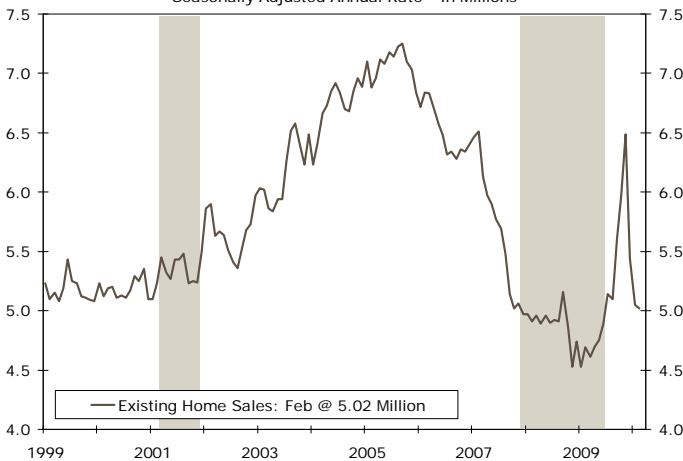
- While sales slipped nationwide, there was actually a pick-up in the Northeast, where closings increased 2.4 percent, and in the Midwest, with closings up 2.8 percent.
- Condo sales increased 4.8 percent in February, but those gains were swamped by a 1.4 percent drop in the sales of single-family homes, which comprise a greater share of the market.

Rising Inventories and Eyebrow-Raising Comments

- The most troubling aspect of this report was a jump in inventories which brought the month's supply of existing homes to 8.6 months. The National Association of Realtors noted in a press conference that the rise in inventories may be attributed to distressed properties coming on the market.
- The median existing home price increased slightly in February but will come under pressure if inventories continue to grow.

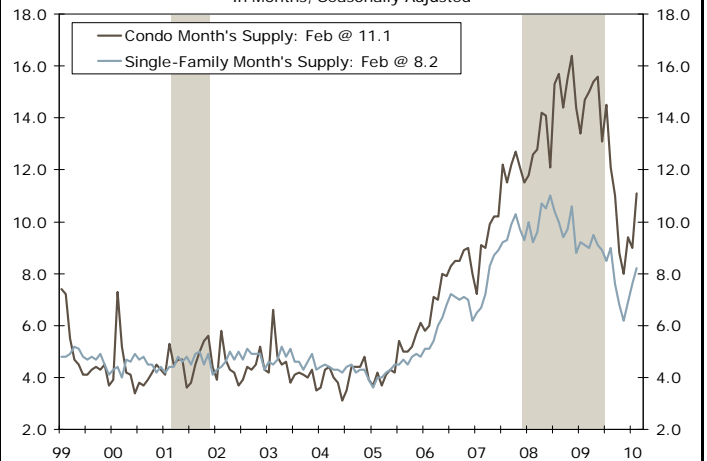
Existing Home Resales

Seasonally Adjusted Annual Rate - In Millions



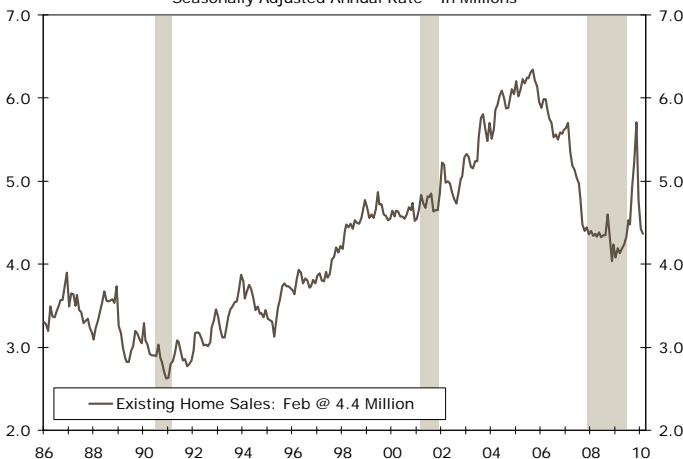
Existing Home Supply

In Months, Seasonally Adjusted



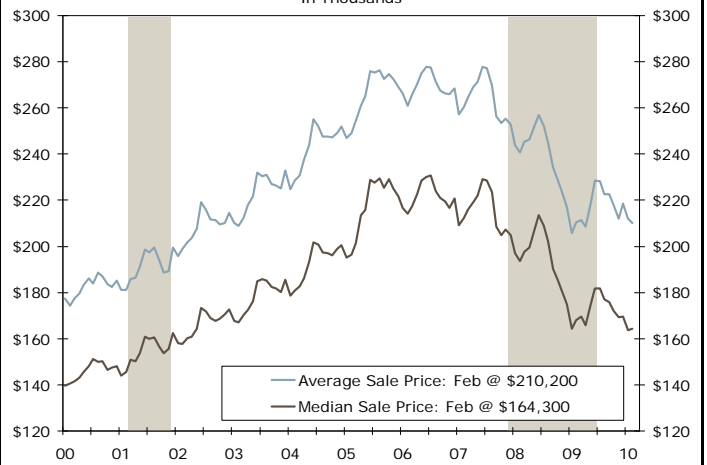
Existing Single-Family Home Resales

Seasonally Adjusted Annual Rate - In Millions



Existing Single-Family Home Prices

In Thousands



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

Wells Fargo Securities, LLC Economics Group

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