

Economics Group

Adam G. York, Economist
adam.york@wachovia.com • 704.715.9660

Existing Home Sales Higher for Third Straight Month

Sales of existing homes increased 3.6 percent in June, reaching an annual pace of 4.89 million units. This is the strongest pace of sales since last October and is a breakout from a tight range that has held for months.

Sales & Prices Higher

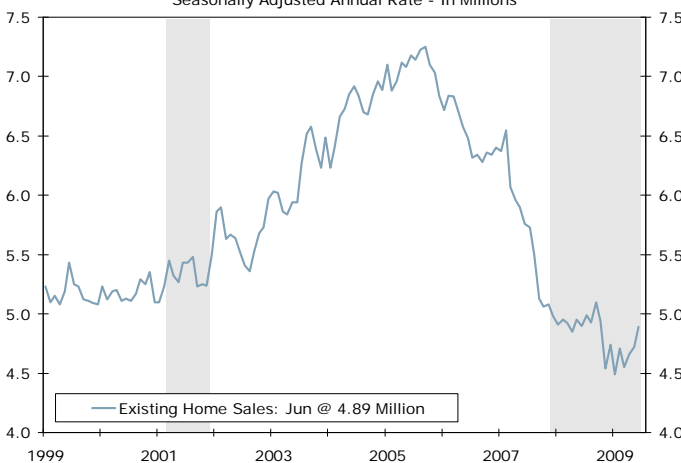
- Sales moved higher with gains in both the single- and multi-family segments. Sales of existing homes have likely bottomed for this cycle and are now up 8.9 percent from their lowest level in January.
- Median and average prices both saw solid gains on the month but remain down 15.4 and 11.8 percent, respectively, over the past year. Pressure on prices will remain into next year.

Inventory & Distressed Activity Lower

- Inventory levels continued to improve after spiking at the beginning of the traditional spring selling season. Still, inventory levels remain elevated, and at the current pace of sales would take more than nine months to work through.
- Distressed sales retreated to just 31 percent of total activity, the lowest reading since NAR began reporting the statistic late last year at the height of the crisis.

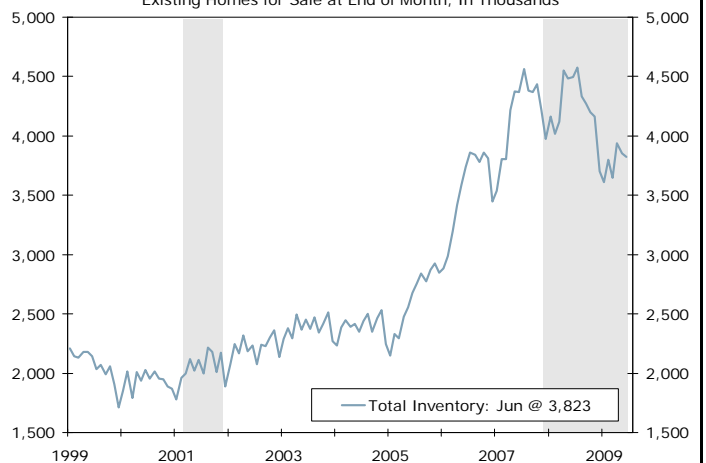
Existing Home Resales

Seasonally Adjusted Annual Rate - In Millions



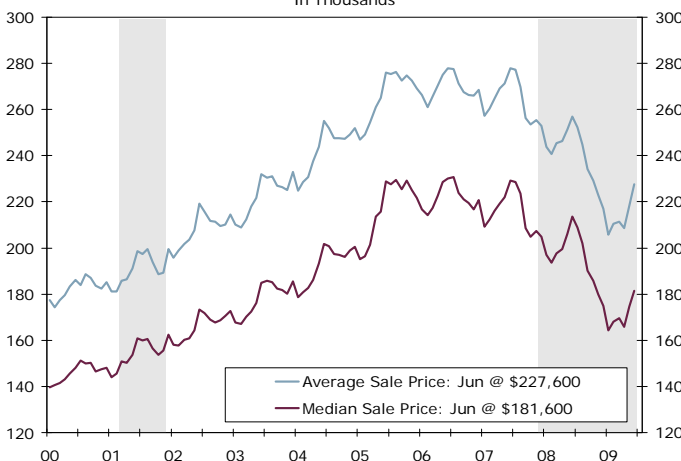
Inventory of Existing Homes for Sale

Existing Homes for Sale at End of Month, In Thousands



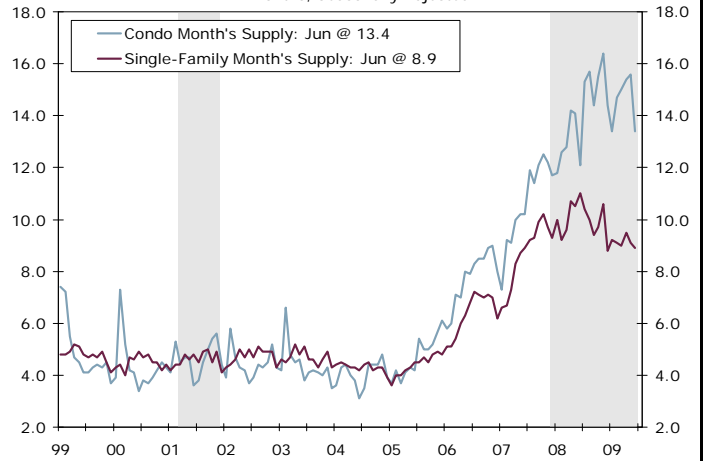
Existing Single-Family Home Prices

In Thousands



Existing Home Supply

In Months, Seasonally Adjusted



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

Wells Fargo Securities, LLC Economics Group

Diane Schumaker-Krieg	Global Head of Research & Economics	(704) 715-8437 (212) 214-5070	diane.schumaker@wachovia.com
John E. Silvia, Ph.D.	Chief Economist	(704) 374-7034	john.silvia@wachovia.com
Mark Vitner	Senior Economist	(704) 383-56355	mark.vitner@wachovia.com
Jay Bryson, Ph.D.	Global Economist	(704) 383-3518	jay.bryson@wachovia.com
Scott Anderson, Ph.D.	Senior Economist	(612) 667-9281	scott.a.anderson@wellsfargo.com
Eugenio Aleman, Ph.D.	Senior Economist	(612) 667-0479	eugenio.j.aleman@wellsfargo.com
Sam Bullard	Economist	(704) 383-7372	sam.bullard@wachovia.com
Anika Khan	Economist	(704) 715-0575	anika.khan@wachovia.com
Azhar Iqbal	Econometrician	(704) 383-6805	azhar.iqbal@wachovia.com
Adam G. York	Economist	(704) 715-9660	adam.york@wachovia.com
Ed Kashmarek	Economist	(612) 667-0479	ed.kashmarek@wellsfargo.com
Tim Quinlan	Economic Analyst	(704) 374-4407	tim.quinlan@wachovia.com
Kim Whelan	Economic Analyst	(704) 715-8457	kim.whelan@wachovia.com
Yasmine Kamaruddin	Economic Analyst	(704) 374-2992	yasmine.kamaruddin@wachovia.com

Wells Fargo Securities Economics Group publications are produced by Wells Fargo Securities, LLC, a U.S broker-dealer registered with the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, and the Securities Investor Protection Corp. Wells Fargo Securities, LLC, distributes these publications directly and through subsidiaries including, but not limited to, Wells Fargo & Company, Wachovia Bank N.A., Wells Fargo Bank N.A., Wells Fargo Advisors, LLC, and Wachovia Securities International Limited. The information and opinions herein are for general information use only. Wells Fargo Securities, LLC does not guarantee their accuracy or completeness, nor does Wells Fargo Securities, LLC assume any liability for any loss that may result from the reliance by any person upon any such information or opinions. Such information and opinions are subject to change without notice, are for general information only and are not intended as an offer or solicitation with respect to the purchase or sales of any security or as personalized investment advice. Wells Fargo Securities, LLC is a separate legal entity and distinct from affiliated banks and is a wholly -owned subsidiary of Wells Fargo & Company © 2009 Wells Fargo Securities, LLC.

SECURITIES: NOT FDIC-INSURED/NOT BANK-GUARANTEED/MAY LOSE VALUE