

Economics Group

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Existing Home Sales Disappoint in December

Existing home sales unexpectedly fell 1.0 percent in December to a 4.94 million-unit pace. The drop in activity was concentrated in single-family, which fell 1.4 percent. Median prices rose, but inventories remain tight.

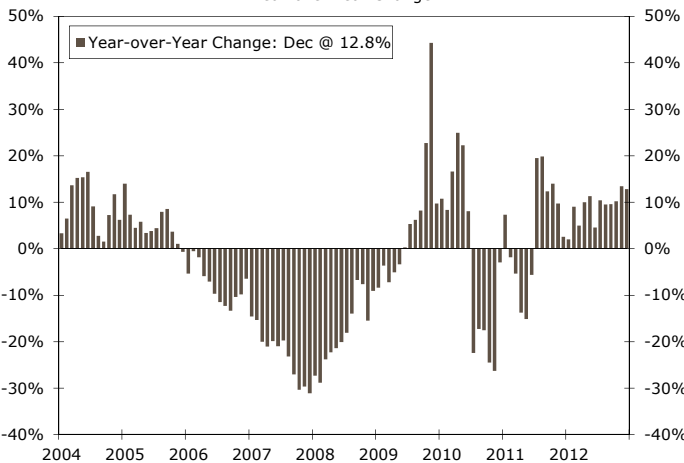
Trend is Still Onward and Upward

- Despite a bit of payback from the solid boost in November, existing home sales are now up 12.8 percent over the past year. While sales fell on the month, some volatility is expected during the seasonally slow months. The median time on the market for an existing home was 73 days, which is down from 99 days a year ago. On a regional basis, sales activity in the Northeast and West rose, but fell in the South and Midwest.

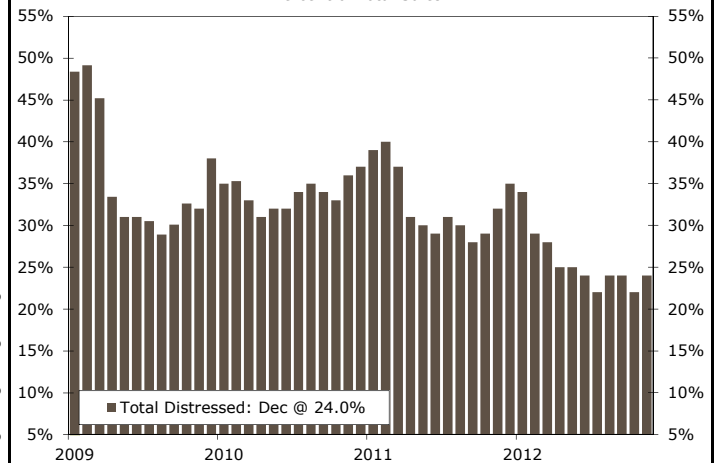
Inventories Remain Lean

- Distressed transactions which include foreclosures and short sales increased to 24 percent in December. Notwithstanding the bump in distressed sales, median home prices are up 11.5 percent over the past year. Unusually tight inventories continue to be a big driver in the on-going upward momentum in median home prices. Total housing inventory fell to 1.82 million units, which is just a 4.4 month supply – the lowest supply since 2005.

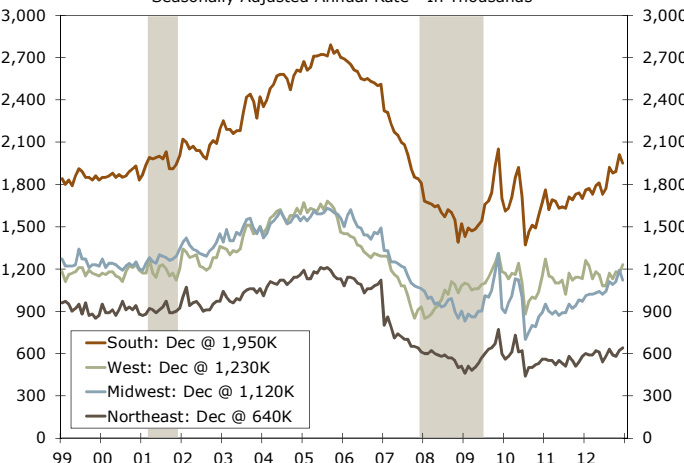
Existing Home Resales
Year-over-Year Change



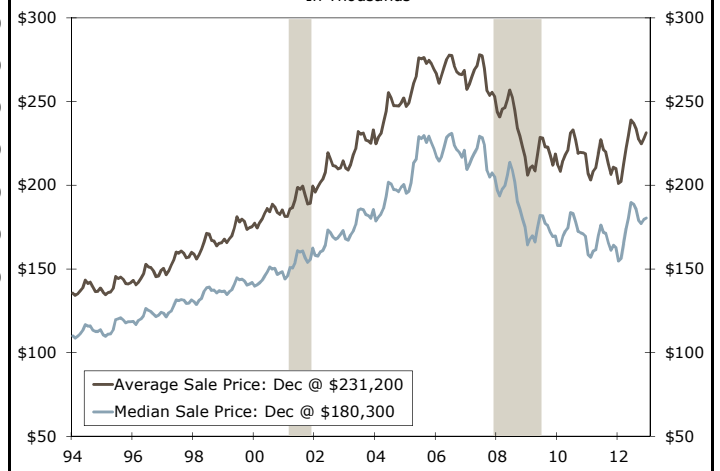
U.S. Distressed Home Sales
Percent of Total Sales



Existing Home Sales By Region
Seasonally Adjusted Annual Rate - In Thousands



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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