

## Economics Group

Mark Vitner, Senior Economist  
[mark.vitner@wellsfargo.com](mailto:mark.vitner@wellsfargo.com) • (704) 410-3277  
 Anika R. Khan, Senior Economist  
[anika.khan@wellsfargo.com](mailto:anika.khan@wellsfargo.com) • (704) 410-3271

### Existing Home Sales Drop More than Expected in October

*Existing home sales fell 3.2 percent in October, which is the second consecutive monthly decline. However, all of the weakness was in single-family sales, while condo activity rose 3.3 percent. Inventories remain low.*

#### Too Early To Tell if Government Played a Role

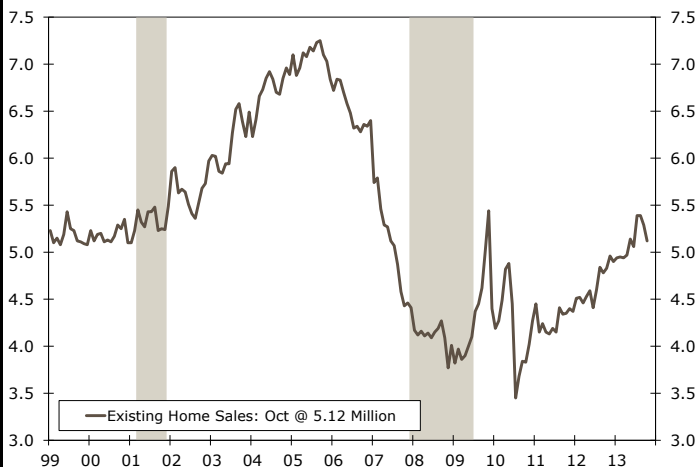
- Existing home sales declined 3.2 percent in October to a 5.1 million unit pace, which was weaker than expected. The decline was concentrated in single-family sales, which fell 4.1 percent, the third consecutive monthly decline. Although the government shutdown likely played a role in recent weakness, it is still too early to tell. In fact, the cumulative decline over the past three months nearly offset the 6.3 percent jump in July.

#### Homes Priced at the Low End Show Little Activity

- Listed inventories fell 1.8 percent to 2.1 million homes, which represents a 5.0 month supply. Inventory remains at a historically low level and will continue to constrain sales. Sales for homes priced below \$100,000 remain weak on a year-ago basis. This pattern continues to show that much of the activity is coming from the move-up buyer. The most acute drop in this price category was in the West, where sales fell 47.4 percent.

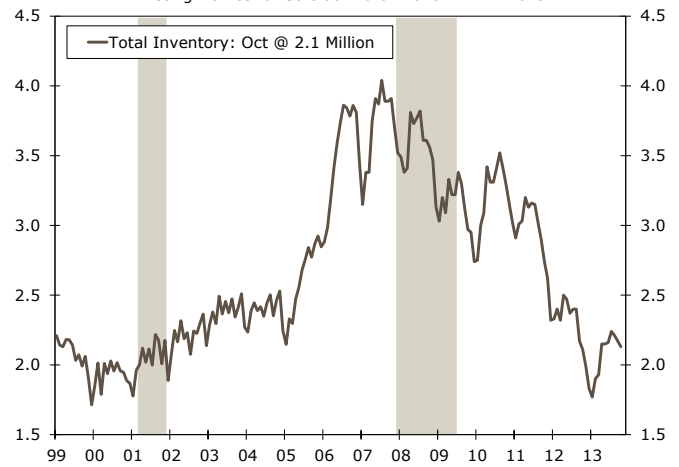
Existing Home Resales

Seasonally Adjusted Annual Rate - In Millions



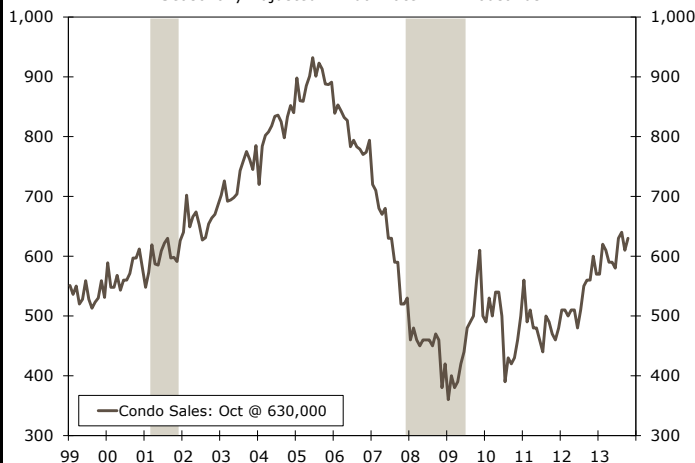
Inventory of Existing Homes for Sale

Existing Homes for Sale at End of Month - In Millions



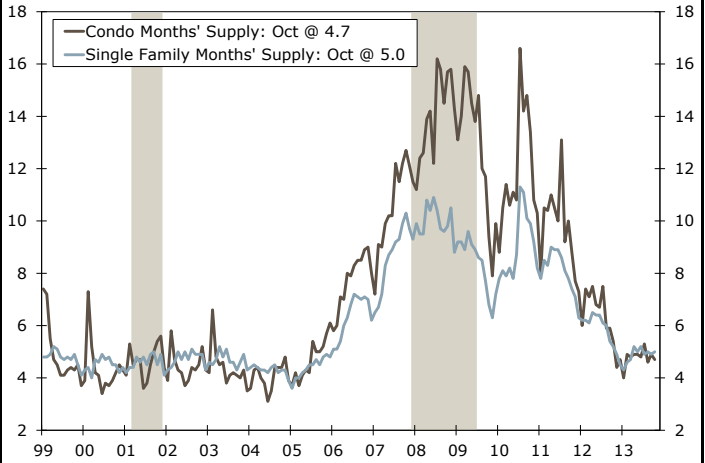
Existing Condominium Resales

Seasonally Adjusted Annual Rate - 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 & Strategy	(704) 410-1801 (212) 214-5070	diane.schumaker@wellsfargo.com
John E. Silvia, Ph.D.	Chief Economist	(704) 410-3275	john.silvia@wellsfargo.com
Mark Vitner	Senior Economist	(704) 410-3277	mark.vitner@wellsfargo.com
Jay H. Bryson, Ph.D.	Global Economist	(704) 410-3274	jay.bryson@wellsfargo.com
Sam Bullard	Senior Economist	(704) 410-3280	sam.bullard@wellsfargo.com
Nick Bennenbroek	Currency Strategist	(212) 214-5636	nicholas.bennenbroek@wellsfargo.com
Eugenio J. Alemán, Ph.D.	Senior Economist	(704) 410-3273	eugenio.j.aleman@wellsfargo.com
Anika R. Khan	Senior Economist	(704) 410-3271	anika.khan@wellsfargo.com
Azhar Iqbal	Econometrician	(704) 410-3270	azhar.iqbal@wellsfargo.com
Tim Quinlan	Economist	(704) 410-3283	tim.quinlan@wellsfargo.com
Michael A. Brown	Economist	(704) 410-3278	michael.a.brown@wellsfargo.com
Sarah Watt House	Economist	(704) 410-3282	sarah.house@wellsfargo.com
Michael T. Wolf	Economist	(704) 410-3286	michael.t.wolf@wellsfargo.com
Sara Silverman	Economic Analyst	(704) 410-3281	sara.silverman@wellsfargo.com
Zachary Griffiths	Economic Analyst	(704) 410-3284	zachary.griffiths@wellsfargo.com
Mackenzie Miller	Economic Analyst	(704) 410-3358	mackenzie.miller@wellsfargo.com
Blaire Zachary	Economic Analyst	(704) 410-3359	blaire.a.zachary@wellsfargo.com
Peg Gavin	Executive Assistant	(704) 410-3279	peg.gavin@wellsfargo.com
Cyndi Burris	Senior Admin. Assistant	(704) 410-3272	cyndi.burris@wellsfargo.com

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