

Economics Group

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Existing Home Sales Fall Again in March

Following three consecutive monthly declines, existing home sales fell another 0.2 percent in March. Although the trend is disconcerting, the underlying details show some modest improvement.

Healthier Mix of Buyers in the Market

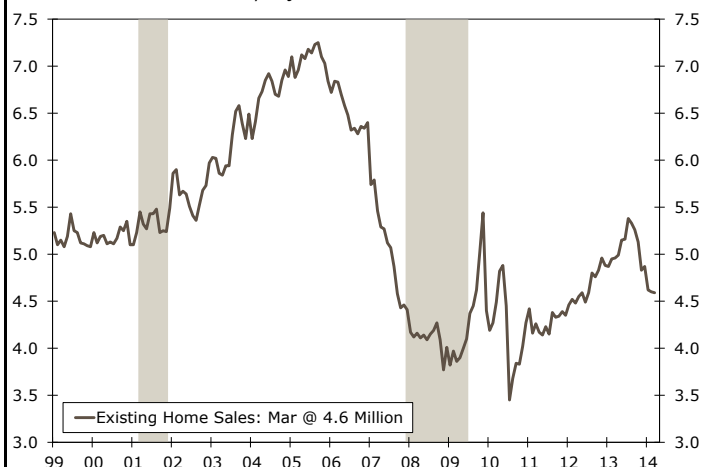
- Existing sales fell 0.2 percent in March to a 4.59 million-unit pace, the 7th drop in the past 8 months. Although the string of negative readings suggests the recovery has stalled, the underlying details are more supportive. The share of distressed sales fell to 14 percent in March, as investors are largely taking a back seat. The proportion of sales attributed to first-time home buyers also rose on the month.

Sales for Higher-Priced Homes Remain Solid

- Sales activity for lower-priced homes remains slow, while higher-priced homes continued to show improvement. Sales of homes priced above \$1 million are now up 7.8 percent over last year.
- In a separate report, FHFA home prices increased 0.6 percent in February and are up 6.9 percent over the past year. Much of the gain reflects rebounding prices in the Pacific and Mountain regions which include California, Arizona and Nevada.

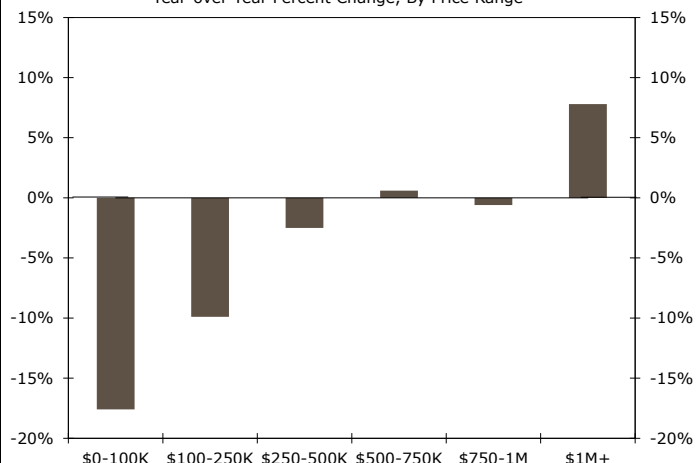
Existing Home Resales

Seasonally Adjusted Annual Rate - In Millions



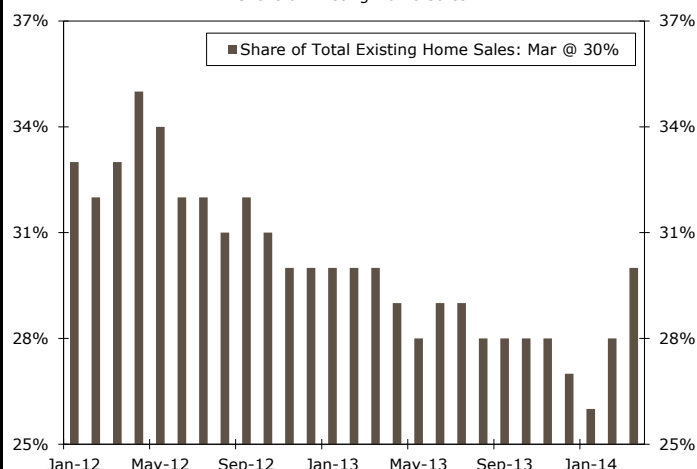
Percent Change in Existing Home Sales

Year-over-Year Percent Change, By Price Range



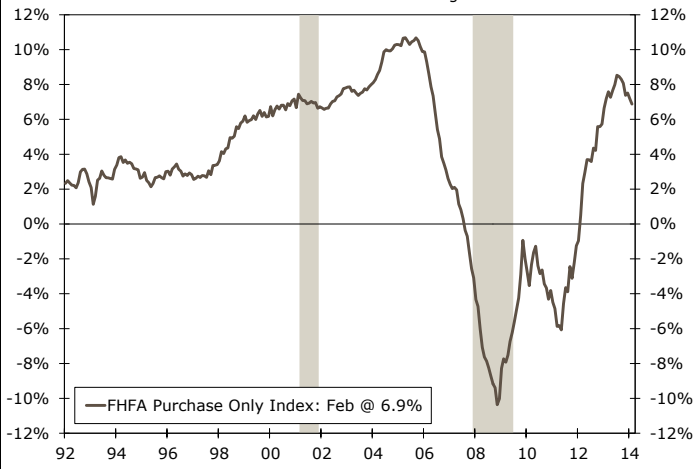
First-Time Home Buyers

Share of Existing Home Sales



FHFA Purchase-Only Index

Year-over-Year Percent Change



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

Wells Fargo Securities, LLC Economics Group

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