



# Economics Group

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## NAHB/Wells Fargo Housing Market Index Slips in January

*The NAHB/Wells Fargo Housing Market Index fell one point to 57 in January from an upwardly revised December number. Present sales held steady but expected sales and prospective buyer traffic both declined.*

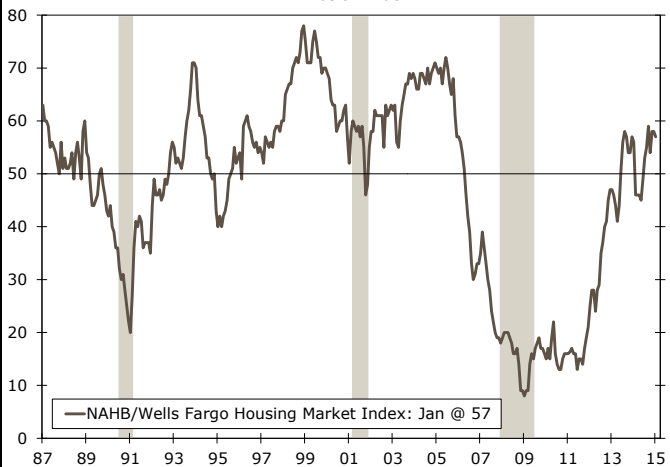
### Slight Decline in Headline Index

- While the headline NAHB index declined slightly to 57 in January, expected future sales fell four points to 60 and prospective buyer traffic slipped two points to 44.
- The 4-point drop in expected future sales follows a drop in December and pulls the series below its six-month average. Sales expectations may have taken a hit by falling oil prices and rising concerns about energy-intensive state economies.

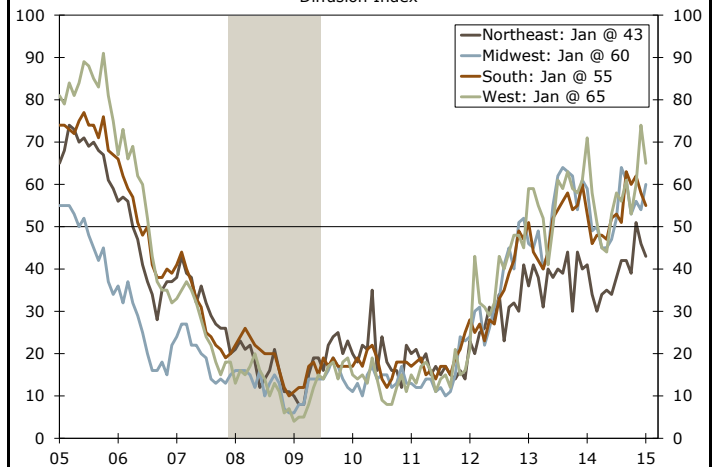
### Midwest Leads the Way

- Prospective buyer traffic fell in every region except the Midwest, where it rose six points to 60. The West saw the largest drop, 9 points, but still has the strongest prospective buyer traffic at 65.
- The only region below the critical level of 50 is the Northeast, which is the smallest market for new single-family homes. The Northeast index has lagged for several years now, and only briefly crossed the 50 level in November.

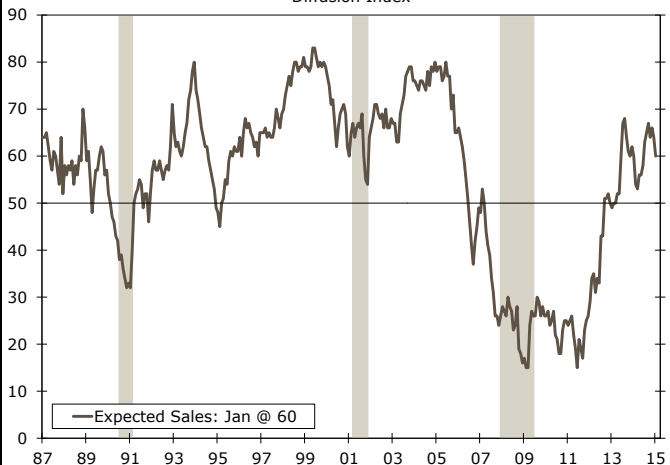
NAHB/Wells Fargo Housing Market Index  
Diffusion Index



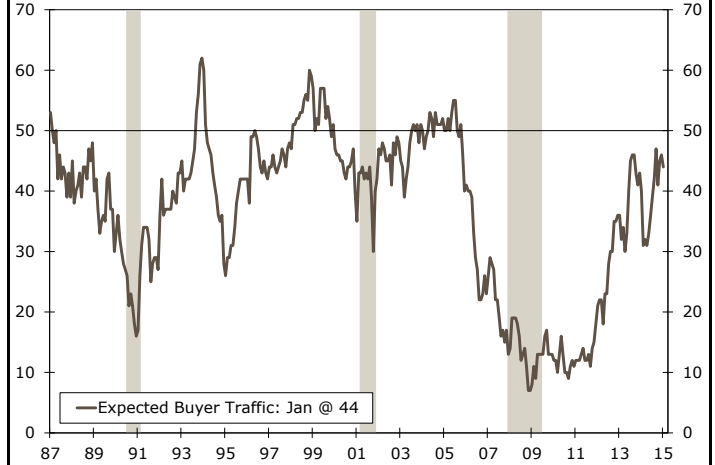
Regional NAHB Housing Market Indices  
Diffusion Index



Expected Single-Family Home Sales  
Diffusion Index



NAHB Expected Buyer Traffic  
Diffusion Index



Source: National Association of Home Builders and Wells Fargo Securities, LLC

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