



# Economics Group

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## Soft Existing Home Sales in August Amid Hurricanes

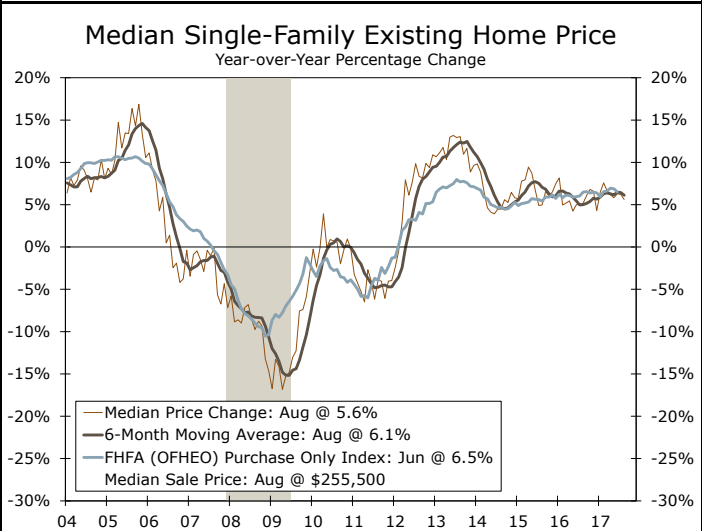
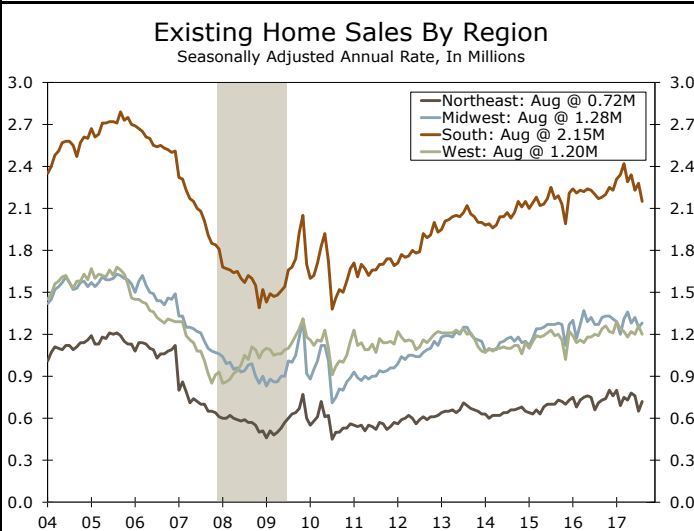
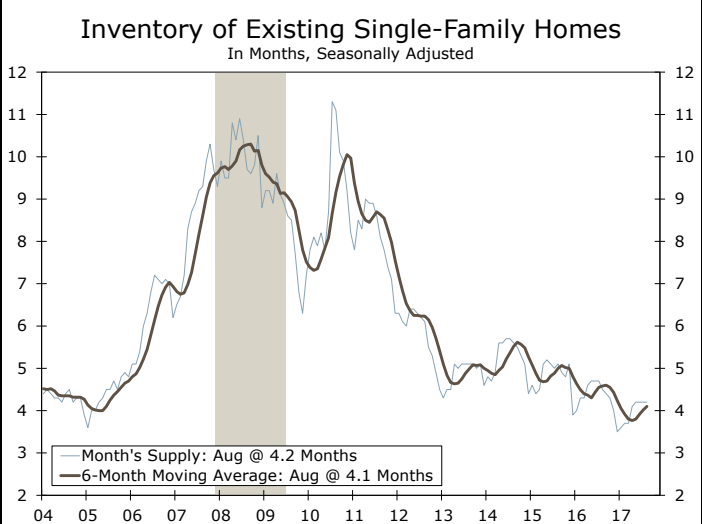
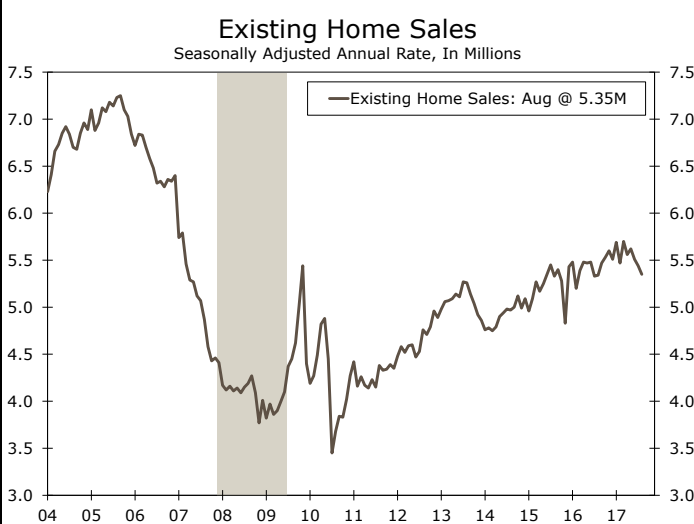
*Existing home sales fell 1.7 percent to a 5.35 million unit pace in August from an unrevised 5.44 million unit pace in July. Demand remains strong but a lack of homes available for sale continues to restrain sales.*

### Sales Decline Amid Low Inventories & The Storms

- Existing home sales fell 1.7 percent in August to a 5.35 million unit pace. This is the fourth decline in the past five months and is the slowest pace of sales since August 2016.
- The South and West declined, outweighing gains in the Northeast and Midwest. The Southern drop is partly attributed to Hurricanes Harvey and Irma, as the storms likely delayed some sales, which are tallied at closing.

### Strong Demand & Low Inventories Push Prices Higher

- Total housing inventory fell 2.1 percent in August and is now 6.5 percent lower than last year, marking the 27<sup>th</sup> consecutive month of year-to-year declines. Unsold inventories reflect a 4.2 month supply at the current sales pace, down from 4.5 one year ago.
- Price appreciation moderated somewhat, with the median price up 5.6 percent year-to-year compared to 6.2 percent in July. The moderation is due to an increase in sales of lower-priced homes.



Source: U.S. Department of Commerce, National Association of Home Builders and Wells Fargo Securities

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