



Economics Group

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Existing Home Sales Start 2017 on High Note

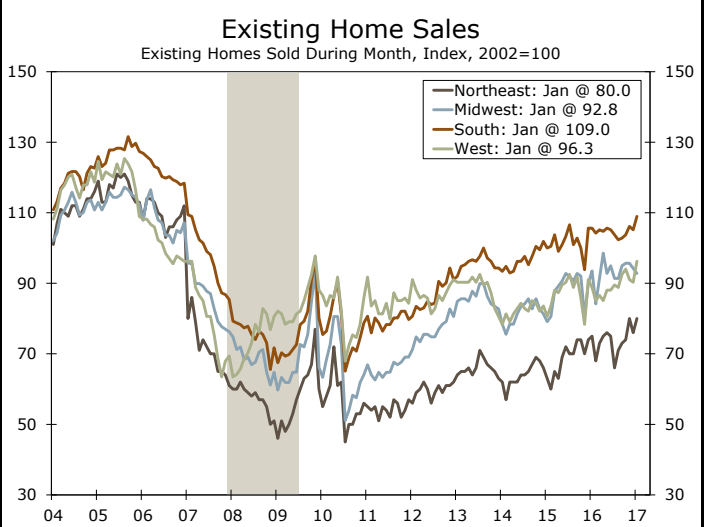
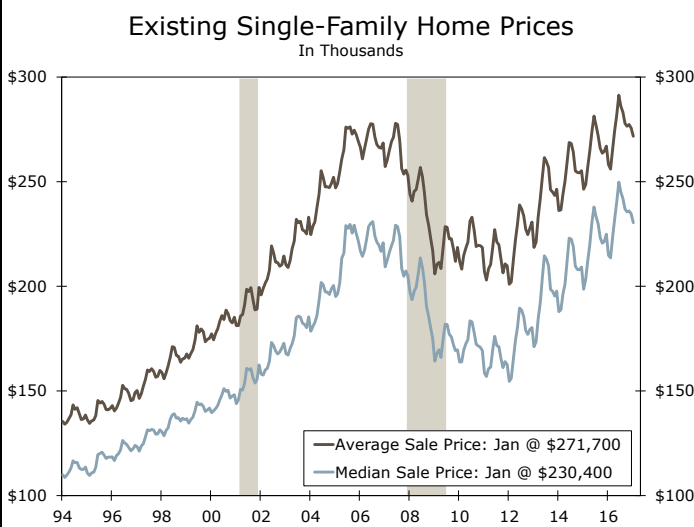
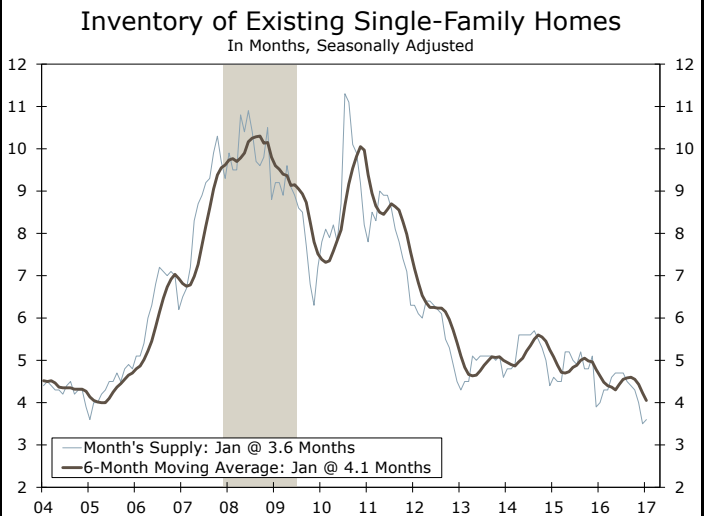
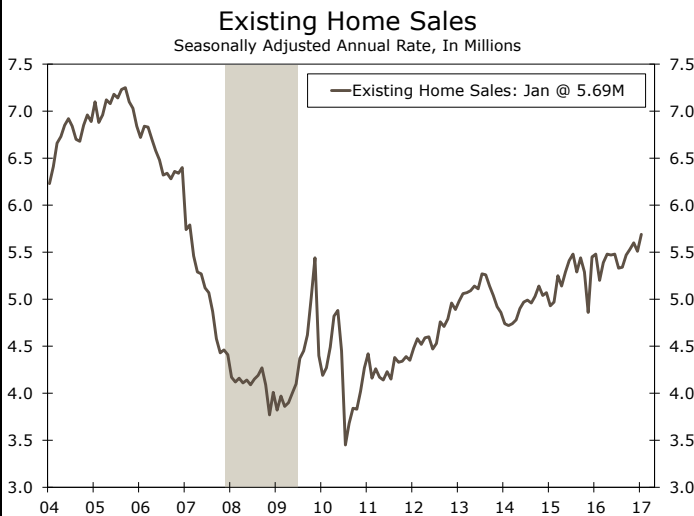
Existing home sales started the year on a strong note, with sales climbing 3.3 percent in January to a 5.69 million-unit pace. Home prices also perked up, with the median price rising 7.1 percent over the past year.

Existing Home Sales Are Off to a Strong Start

- Existing home sales rose slightly faster than expected in January, rising 3.3 percent to a 5.69 million-unit annual rate. Sales for December were also revised slightly higher. Home sales are now running at their strongest pace since the recession. Median home prices also rose faster than expected.
- The strong start to the year suggests that realtors' commissions should make a larger contribution to first quarter growth.

Inventories Remain Exceptionally Lean

- Inventory of single-family homes remained relatively unchanged at a 3.6 months' supply. The persistence of historically low for-sale inventory is a big reason why prices continue to consistently beat expectations to the upside.
- Unseasonably mild winter weather throughout much of the East and South might get the spring selling season off to an early start. Sales in the Sunbelt appear to have strong momentum.



Source: National Association of Realtors and Wells Fargo Securities

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