



# Economics Group

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## Existing Home Sales Still Restrained by Supply

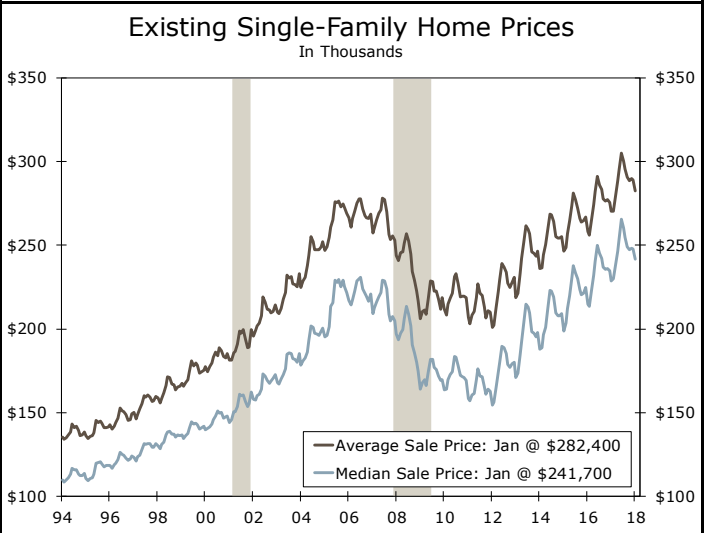
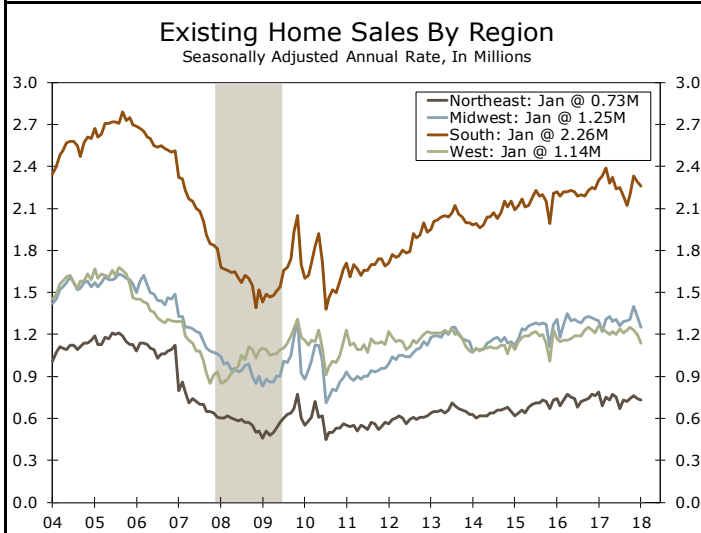
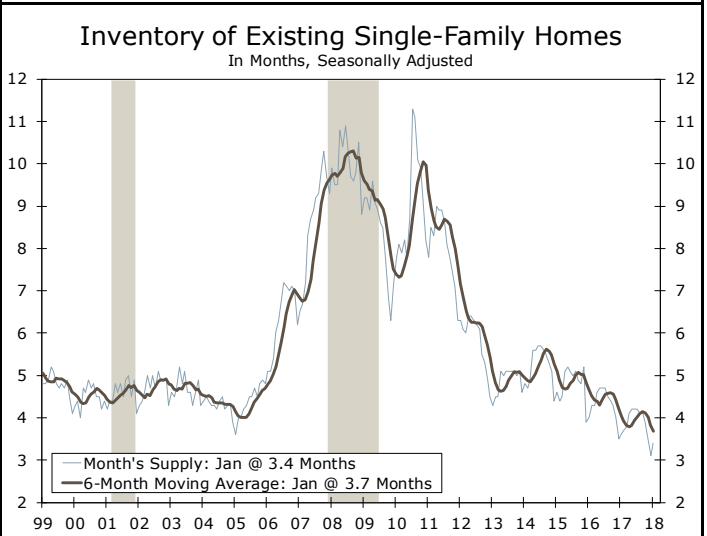
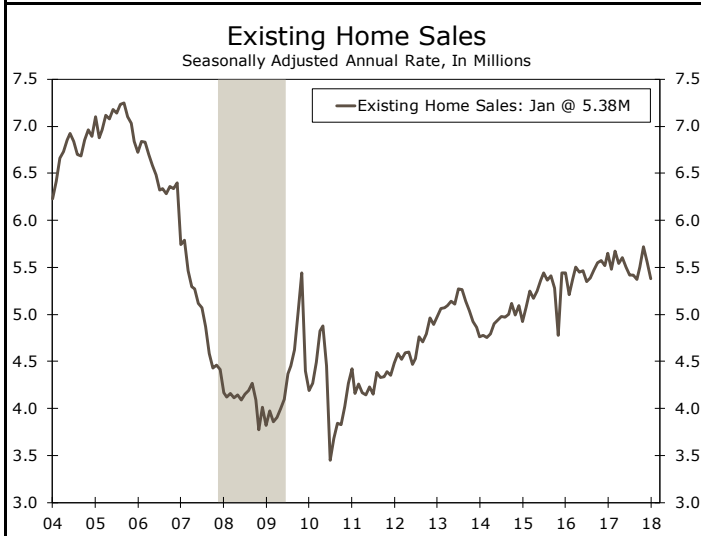
*Existing home sales fell for the second straight month, declining 3.2 percent to a 5.38-million unit annual pace in January. Resales declined both on the month and over the year in all regions, reflecting tight inventories.*

### Too Few Existing Homes on the Market

- Resales moderated to a 5.38-million unit pace in January. Single-family sales accounted for all of the drop, falling 3.8 percent to a 4.76-million unit pace. This pace matched the September reading which was impacted by extreme weather.
- The inventory of homes available for sale rose 4.1 percent from December but remains 9.5 percent below its year ago level. The months' supply of homes rose slightly to 3.4 months.

### Spring Should Be Good for Homebuilders and Realtors

- Competition for the limited supply of homes for sale is pulling prices higher. The median price of an existing home rose 5.8 percent over the past year.
- The scarcity of homes is most acute at the lower end of the price spectrum, adding to the frustrations of potential first-time homebuyers. First-time buyers accounted for just 29 percent of total buyers, down from 32 percent one year ago.



Source: National Association of Realtors (NAR) and Wells Fargo Securities

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