

Economics Group

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Existing Home Sales Slip 2.5 Percent in April

All of April's 2.5 percent decline in existing home sales was in re-sales of single-family homes, which fell 3.0 percent during the month. The ongoing shortage of homes available for purchase continues to weigh on sales.

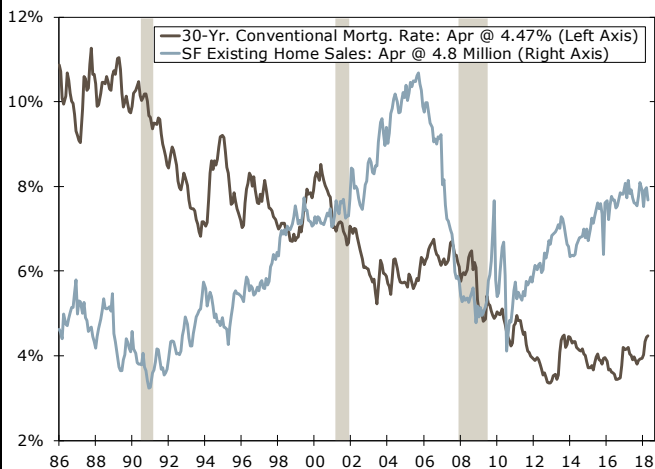
Home Sales Slip on a Lack of Inventory

- After rising the past two months, existing home sales fell 2.5 percent in April to a 5.46 million unit annual pace. Sales of single-family homes fell 3.0 percent, while sales of condos and co-ops rose 1.6 percent.
- While sales fell, demand is not the problem. Homes are selling quickly and prices continue to rise. The typical home remained on the market for just 26 days, down from 29 days a year ago.

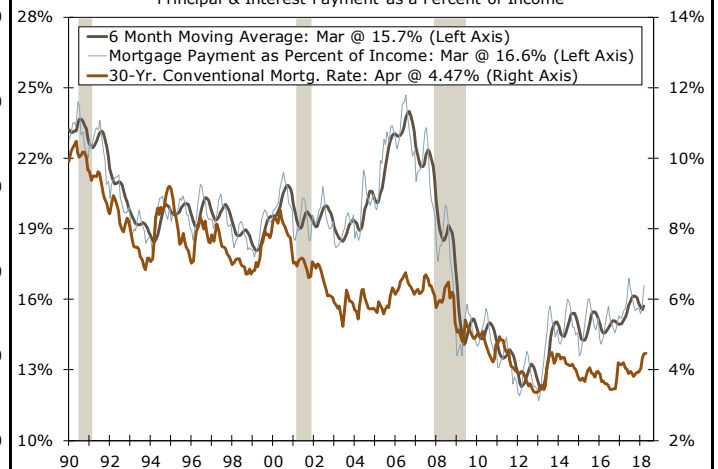
Affordability Is Being Strained

- Stronger job and income growth has bolstered buyer confidence and a rising share of households say they plan to purchase homes in coming months. Higher prices and rising interest rates will test buyers' resolve.
- While the months' supply of homes available for sale rose in April, the absolute level of inventories remains 6.2 percent lower than it was one year ago and months' supply is also lower than a year ago.

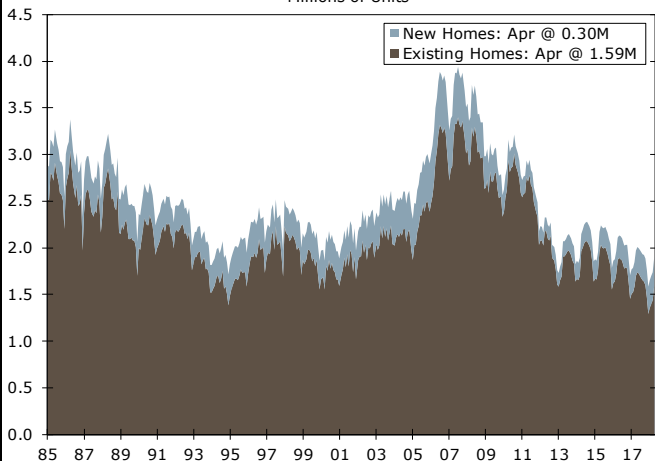
Existing Single Family Home Sales vs. Mortgage Rate
Percent and SAAR In Millions



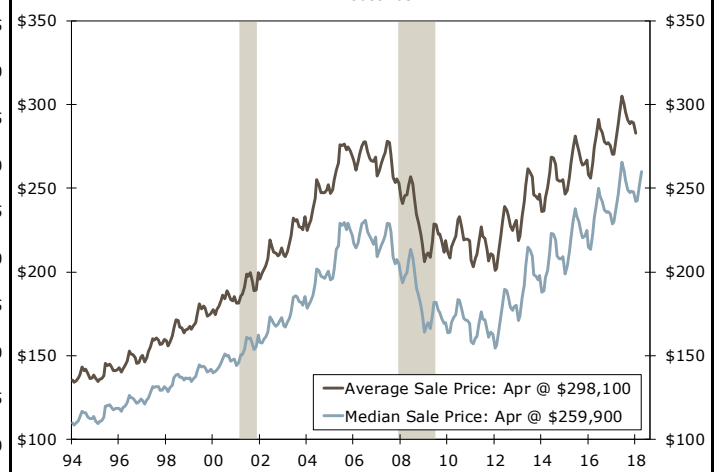
Mortgage Payment vs. Mortgage Rate
Principal & Interest Payment as a Percent of Income



Single-Family Home Inventory
Millions of Units



Existing Single-Family Home Prices
In Thousands



Source: National Association of Realtors, Mortgage Banker's Association and Wells Fargo Securities

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