



Economics Group

Mark Vitner, Senior Economist
mark.vitner@wellsfargo.com • (704) 410-3277
Charlie Dougherty, Economist
charles.dougherty@wellsfargo.com • (704) 410-6542

Existing Home Sales Bounce Back in February

After falling in 3 of the past 4 months, sales of existing homes roared back in February. Overall sales jumped 11.8% to a 5.51 million-unit pace. Sales benefited from better weather early this year and lower mortgage rates.

Sales of Existing Homes Ramped Up in February

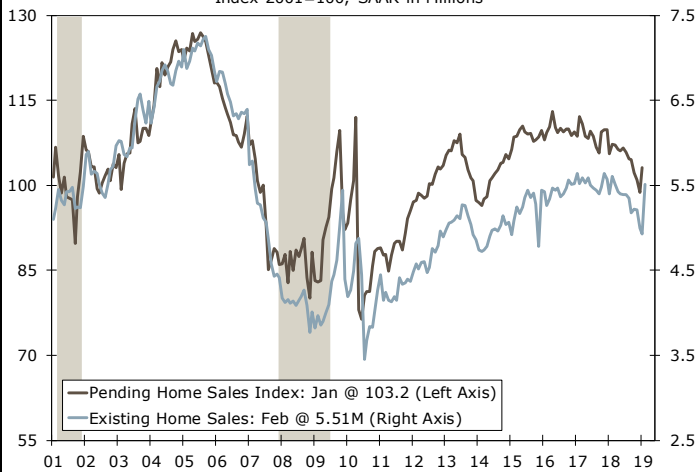
- After declining for much of last year, existing home sales were poised for rebound. Pending home sales, which reflect purchase contracts, had jumped 4.6% in January, which meant that sales, which reflect closings, would likely rise in February.
- Seasonal adjustment likely exaggerated the extent of the improvement. The 5.51 million-unit pace is 1.8% below the year-ago pace, which was also the cyclical peak. benefitted

Homes Are Still Selling Quickly

- Sales of single-family homes rose 13.3% in February, while sales of condo/co-ops were unchanged. Sales rose in every region except the Northeast, which may explain why sales of condo and co-ops were unchanged during the month.
- Existing home inventories continue to trend higher and are 3.2% above their year-ago level. Homes are remaining on the market longer than a year ago, which has moderated price appreciation.

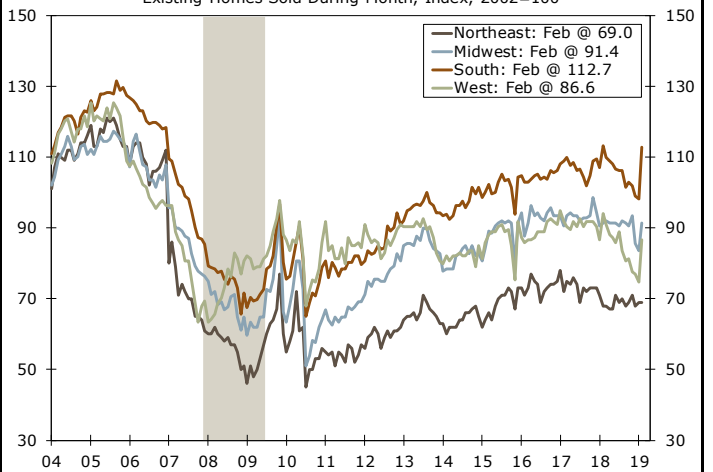
Pending vs. Existing Home Sales

Index 2001=100, SAAR in Millions



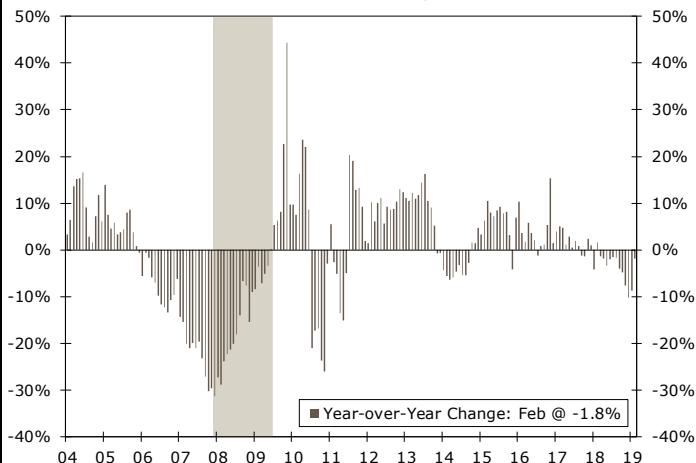
Existing Home Sales

Existing Homes Sold During Month, Index, 2002=100



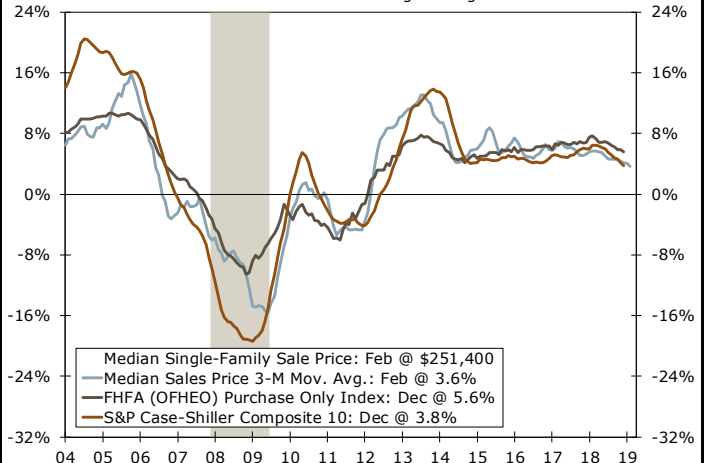
Existing Home Resales

Year-over-Year Change



Home Prices

Year-over-Year Percentage Change



Source: National Association of Realtors, FHFA, S&P Case-Shiller and Wells Fargo Securities

Wells Fargo Securities Economics Group

Jay H. Bryson, Ph.D.	Global Economist	(704) 410-3274	jay.bryson@wellsfargo.com
Mark Vitner	Senior Economist	(704) 410-3277	mark.vitner@wellsfargo.com
Sam Bullard	Senior Economist	(704) 410-3280	sam.bullard@wellsfargo.com
Nick Bennenbroek	Macro Strategist	(212) 214-5636	nicholas.bennenbroek@wellsfargo.com
Azhar Iqbal	Econometrician	(212) 214-2029	azhar.iqbal@wellsfargo.com
Tim Quinlan	Senior Economist	(704) 410-3283	tim.quinlan@wellsfargo.com
Sarah House	Senior Economist	(704) 410-3282	sarah.house@wellsfargo.com
Charlie Dougherty	Economist	(704) 410-6542	charles.dougherty@wellsfargo.com
Erik Nelson	Macro Strategist	(212) 214-5652	erik.f.nelson@wellsfargo.com
Michael Pugliese	Economist	(212) 214-5058	michael.d.pugliese@wellsfargo.com
Brendan McKenna	Macro Strategist	(212) 214-5637	brendan.mckenna@wellsfargo.com
Shannon Seery	Economic Analyst	(704) 410-1681	shannon.seery@wellsfargo.com
Matthew Honnold	Economic Analyst	(704) 410-3059	matthew.honnold@wellsfargo.com
Dawne Howes	Administrative Assistant	(704) 410-3272	dawne.howes@wellsfargo.com

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