Pending Home Sales Rise Modestly in March

The National Association of Realtors’ pending home sales index rose 0.4 percent in March, while February’s gain was revised lower to 2.8 percent. Pending sales were below year ago levels for the third consecutive month.

**Pending Home Sales Inch Up in March**
- Pending home sales rose for the second consecutive month, rising 0.4 percent in March but remain down year to year. Harsh winter weather and extremely lean inventories continue to restrain sales, particularly in the Northeast and West.
- Pending sales rose 2.5 and 2.4 percent in the South and Midwest, respectively, but fell 5.6 percent in the Northeast and declined 1.1 percent in the West, where inventories are the thinnest.

**New Home Sales Should Get A Boost**
- The lack of inventory is a real impediment to a pick up in sales this spring, particularly in the West, where pending sales have fallen for six months in a row. With few existing homes on the market, new home sales are accounting for a rising share of overall sales. The bulk of new home construction is in the South and West.
- Rising mortgage rates present another speed bump to stronger home sales and will likely drive more growth to the suburbs.

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