



Economics Group

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Pending Home Sales and Purchase Applications Perk Up

Pending home sales bounced back a robust 5.5 percent in February, as contract signings rose in all regions. Mortgage purchase applications are also rising. The positive reports bode well for home sales this spring.

Broad-Based Strength in Pending Home Sales

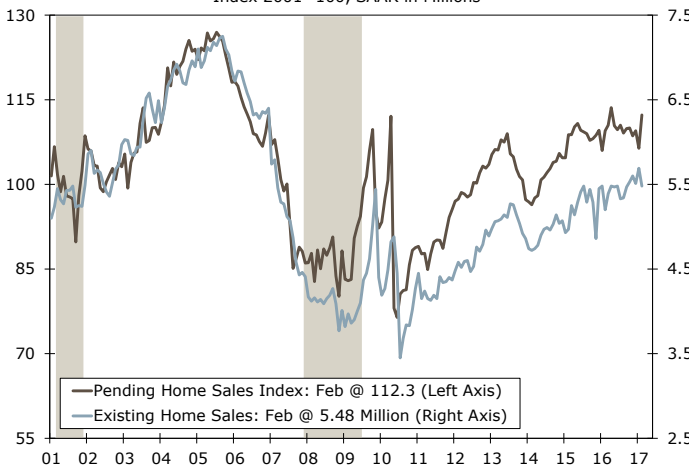
- Pending home sales, which are contract signings that lead closings by one to two months, jumped 5.5 percent in February, recouping all of January’s 2.8 percent loss.
- Strength in contract signings was broad-based, as all regions posted a gain on the month. Notably, pending home sales in the Midwest surged 11.4 percent, ending a three month string of declines. The South also saw a solid increase of 4.3 percent.

Mortgage Purchase Applications Trend Higher

- The resurgence in pending sales was likely influenced by unusually mild winter weather, which boosted contract signings in the Midwest. Weather provided less help in the West, where sales are being held back by exceptionally tight inventories.
- Mortgage applications fell 0.8 percent in the week ending March 24, as refinance applications fell further. Purchase applications rose 1.2 percent, marking the fourth gain in the past five weeks.

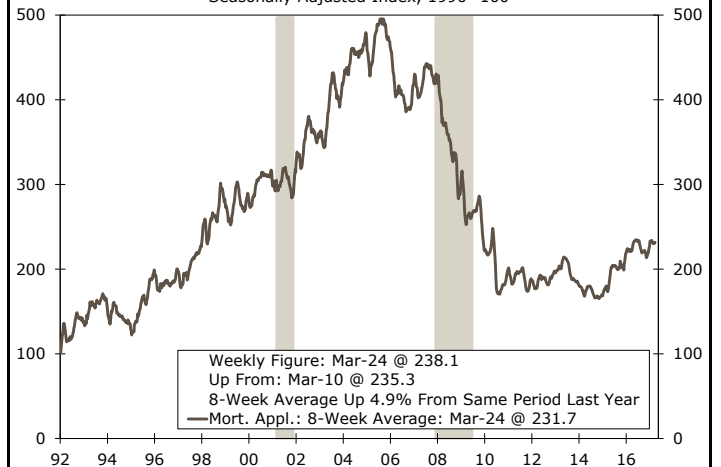
Pending vs. Existing Home Sales

Index 2001=100, SAAR in Millions



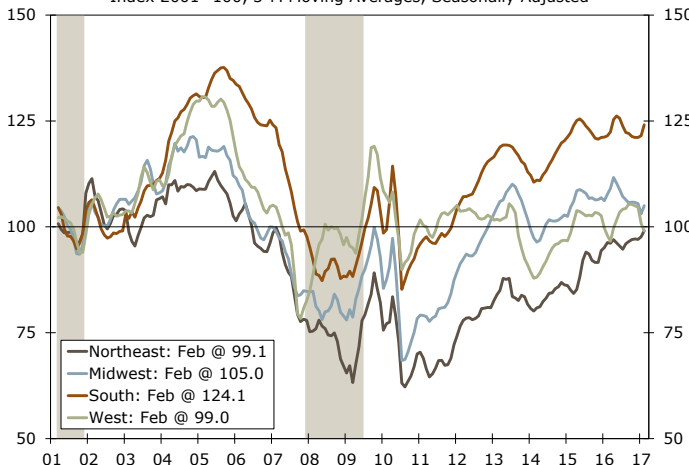
Mortgage Applications for Purchase

Seasonally Adjusted Index, 1990=100



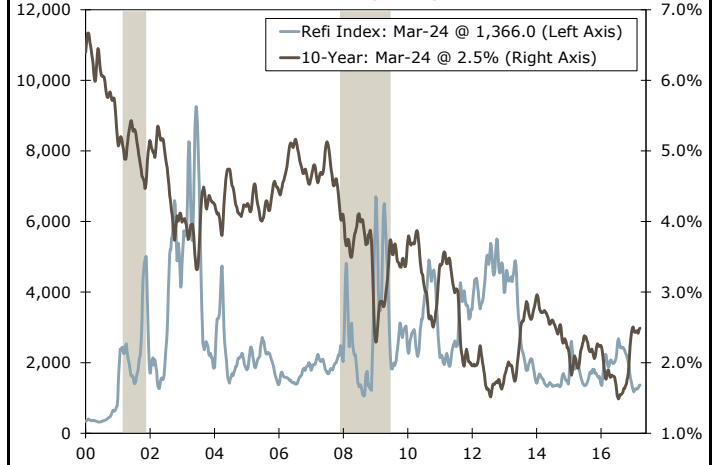
Pending Home Sales Index - By Region

Index 2001=100, 3-M Moving Averages, Seasonally Adjusted



Refinancing Index vs. 10-Year

4-Week Moving Averages



Source: National Association of Realtors, Mortgage Bankers Association, Federal Reserve and Wells Fargo Securities

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