



Economics Group

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Pending Home Sales Inch Higher in June

The Pending Home Sales Index (PHSI) rose a modest 0.2 percent in June to 111.0, marking the second highest reading over the past year. Sales contracts rose in the Northeast and Midwest but fell in the West and South.

Slight Pick Up in Pending Sales

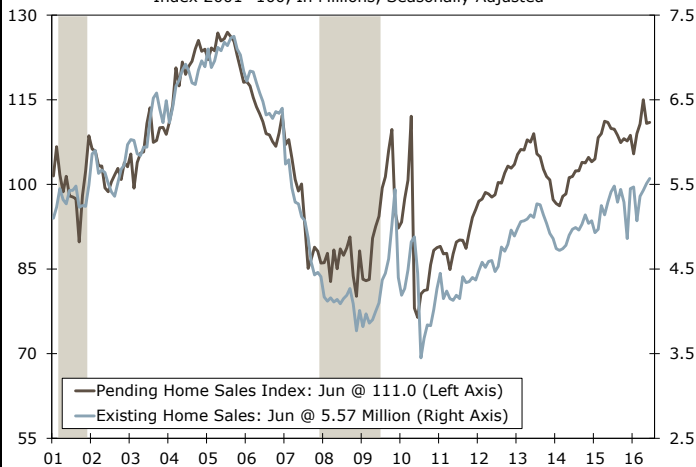
- Following huge back-to-back swings, pending home sales rose a slight 0.2 percent in June to a level of 111.0. While the month-to-month numbers can be volatile, the pending home sales index is up 1.0 percent on a year-over-year basis.
- Pending home sales, which represent contract signings, typically lead existing sales by two months. The strengthening trend in the PHSI suggests further gains in existing sales.

Sales in Northeast Lead Gains

- On a regional basis, the Northeast reported the largest gain, up 3.2 percent, and the Midwest also posted a slight pickup. These increases were largely offset by declines in the West and South, which fell 0.7 percent and 1.3 percent in June, respectively.
- The West, which accounts for 22 percent of existing sales, is now 1.8 percent lower than a year ago. The drop is likely due to low inventories in growing markets and affordability constraints.

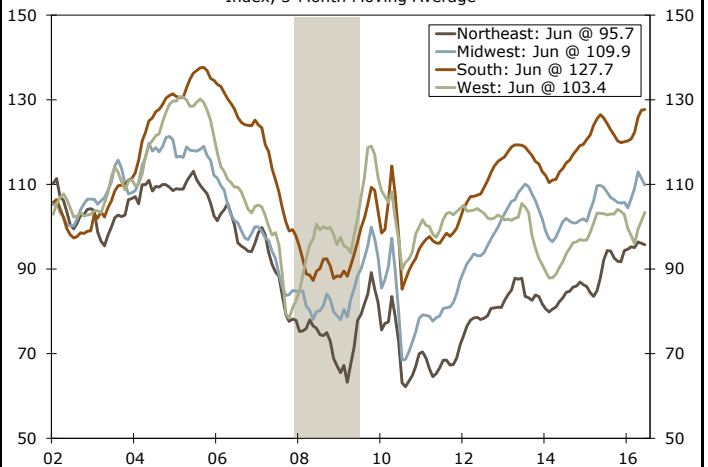
Pending vs. Existing Home Sales

Index 2001=100, In Millions, Seasonally Adjusted



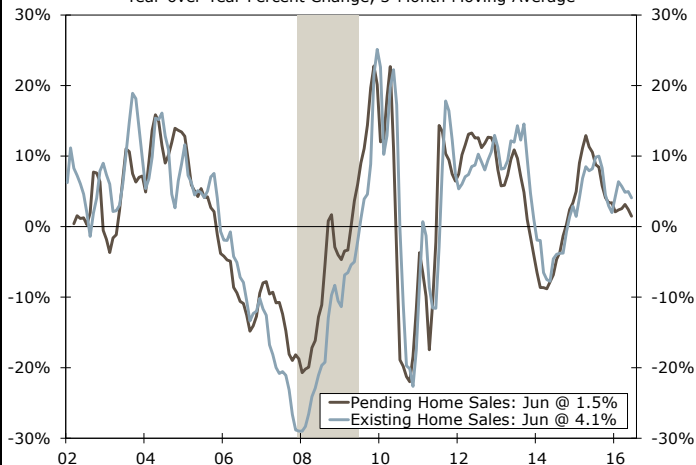
Pending Home Sales

Index, 3-Month Moving Average



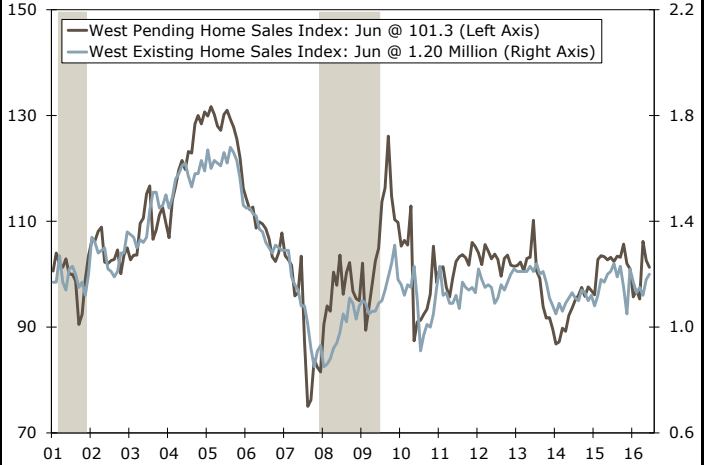
Pending vs. Existing Home Sales

Year-over-Year Percent Change, 3-Month Moving Average



Pending vs. Existing Home Sales - West

Index 2001=100 and SAAR in Millions



Source: National Association of Realtors and Wells Fargo Securities

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