

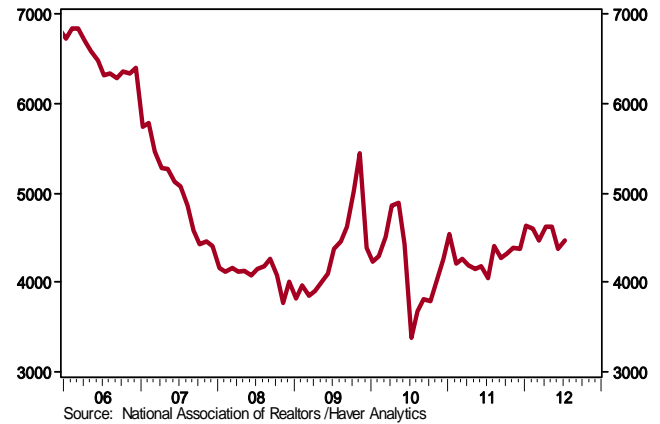
## July Existing Home Sales

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- Existing home sales rose 2.3% in July to an annual rate of 4.47 million units, coming in slightly below the consensus expected 4.51 million. Sales are up 10.4% versus a year ago.
- Sales in July were up in the Northeast, South and Midwest, but unchanged in the West. The rise in sales was due to increases in both single-family and multi-family home sales.
- The median price of an existing home fell slightly to \$187,300 in July (not seasonally adjusted), but is up 9.4% versus a year ago. Average prices are up 7.1% versus last year.
- The months' supply of existing homes (how long it would take to sell the entire inventory at the current sales rate) fell to 6.4 in July. The decline in the months' supply was all due to a faster selling pace. Inventories increased, as they usually do in July.

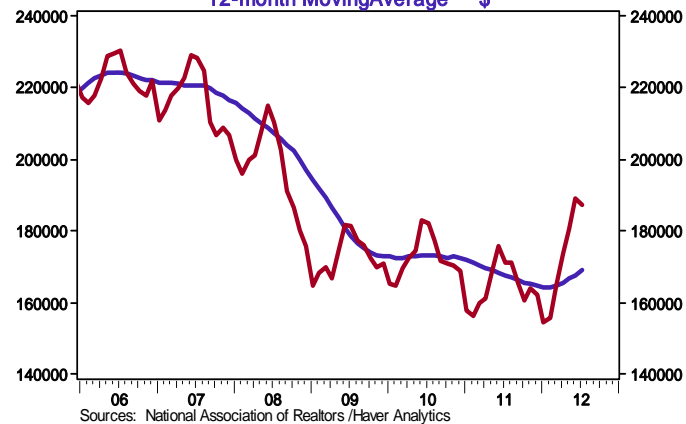
**Implications:** More signs of improvement in the housing market. Existing home sales rose 2.3% in July and are up 10.4% from a year ago. Sales would probably be rising faster were it not for a lack of homes listed for sale. The entire increase in the number of homes for sale in July – a month when inventory normally increases – was due to multi-family units. The inventory of single-family homes was unchanged and is down 21.3% from a year ago, hovering around the lowest levels since early 2005. Although the median price slipped in July, these figures are not seasonally adjusted and prices *normally* decline in July. Compared to a year ago, the median price is up 9.4%, the largest gain since the peak of the housing bubble in early 2006. A couple of factors explain the rise in existing home prices. First, the lack of inventory on the market is pushing up prices while demand is picking up for housing. Second, fewer distressed sales and more sales of larger homes. In general, it still remains tough to buy a home. Despite record low mortgage rates, home buyers face very tight credit conditions. Tight credit conditions would also explain why all-cash transactions accounted for 27 percent of purchases in July versus a traditional share of about 10 percent. Those with cash are able to take advantage of home prices that are extremely low relative to fundamentals (such as rents and replacement costs); for them, it's a great time to buy. With credit conditions remaining tight, we don't expect a huge increase in home sales any time soon, but the housing market is definitely on the mend.

**NAR Total Existing Home Sales, United States**  
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**Existing Homes: Median Sales Price**

**Existing Homes: Median Sales Price 12-month Moving Average**



Existing Home Sales	Jul-12		Jun-12	May-12	3-month	6-month	Yr to Yr
	%Ch.	level					
Seasonally Adjusted Unless Noted, Levels in Thous.							
<b>Existing Home Sales</b>	<b>2.3%</b>	<b>4470</b>	4370	4620	4487	4525	10.4
<b>Northeast</b>	<b>7.4%</b>	<b>580</b>	540	610	577	588	13.7
<b>Midwest</b>	<b>2.0%</b>	<b>1040</b>	1020	1040	1033	1028	16.9
<b>South</b>	<b>2.3%</b>	<b>1770</b>	1730	1810	1770	1767	8.6
<b>West</b>	<b>0.0%</b>	<b>1080</b>	1080	1160	1107	1142	5.9
<b>Median Sales Price (\$, NSA)</b>	<b>-0.8%</b>	<b>187300</b>	188800	180300	185467	175083	9.4

Source: National Association of Realtors