

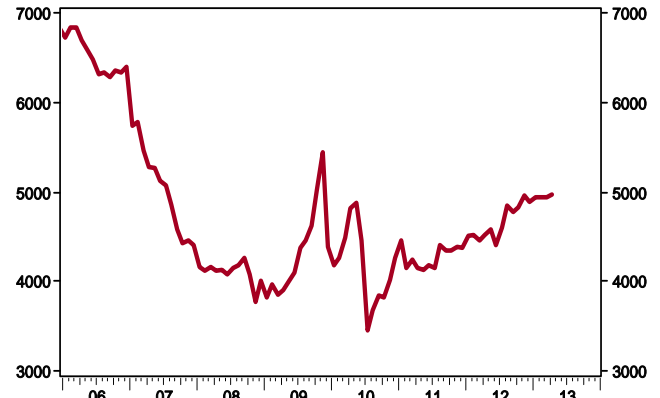
April Existing Home Sales

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- Existing home sales rose 0.6% in April to an annual rate of 4.97 million units, coming in slightly below the consensus expected 4.99 million rate. Sales are up 9.7% versus a year ago.
- Sales in April were up in the South, West, and Northeast, but down in the Midwest. The increase in sales was all due to a faster sales pace for single family homes. Sales of condo/coops fell slightly.
- The median price of an existing home rose to \$192,800 in April (not seasonally adjusted), and is up 11.0% versus a year ago. Average prices are up 9.4% versus last year.
- The months' supply of existing homes (how long it would take to sell the entire inventory at the current sales rate) jumped to 5.2 in April from 4.7 in March. The rise in the months' supply was all due to higher inventories for single-family homes. Inventories for condos/coops declined.

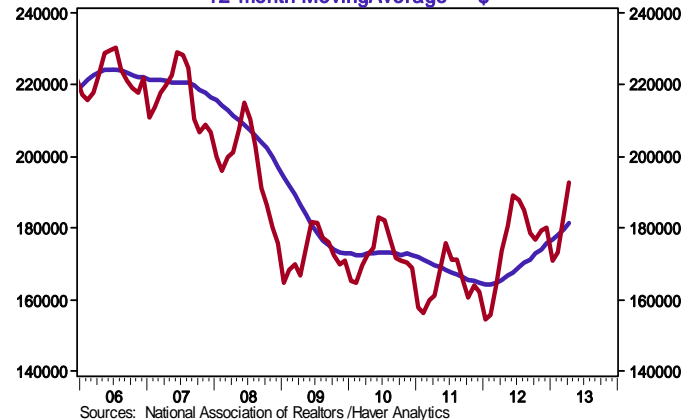
Implications: Existing home sales rose slightly in April and reached the highest sales pace since November 2009, when sales were artificially boosted by an \$8,000 homebuyer tax credit. Sales appear to have leveled off over the past several months but are still up 9.7% from a year ago. We expect sales to renew an upward push over the next few months. The months' supply of existing homes (how long it would take to sell the entire inventory at the current selling rate) rose to 5.2 in April. However, this is no cause for worry and may even be more of a good sign as low inventories have probably been holding back the sales pace. Just a year ago, the months' supply was 6.6 and was 9.3 two years ago, so a supply of 5.2 months is still relatively low. What we are probably seeing lately is some more marginal sellers coming back into the market as pricing power recovers. The 11% gain in median prices versus a year ago can be attributed to a couple of factors. First, low inventories while demand is picking up. Second, fewer distressed sales and more sales of larger homes. Homes priced from \$0-\$100,000 were down 9.8% from a year ago while \$1,000,000+ homes are up 41.9%. In general, it still remains tougher than normal 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 32% of purchases in April versus a traditional share of about 10%. 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.

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	Apr-13		Mar-13	Feb-13	3-month	6-month	Yr to Yr % Change
	% Ch.	level					
<i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>							
Existing Home Sales	0.6%	4970	4940	4950	4953	4943	9.7
Northeast	1.6%	640	630	630	633	630	4.9
Midwest	-3.4%	1120	1160	1140	1140	1145	9.8
South	2.0%	2010	1970	1980	1987	1975	14.9
West	1.7%	1200	1180	1200	1193	1193	4.3
Median Sales Price (\$, NSA)	4.8%	192800	183900	173200	183300	180017	11.0

Source: National Association of Realtors