

March Existing Home Sales

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- Existing home sales increased 6.1% in March to a 5.19 million annual rate, coming in above the consensus expected 5.03 million annual rate. Sales are up 10.4% versus a year ago.
- Sales rose in all major regions of the country. The increase in sales was due to gains in both single-family homes as well as sales of condos/coops.
- The median price of an existing home rose to \$212,100 in March (not seasonally adjusted) and is up 7.8% versus a year ago. Average prices are up 5.1% versus last year.
- The months' supply of existing homes (how long it would take to sell the entire inventory at the current sales rate) declined to 4.6 months in March from 4.7 months in February. The faster selling pace more than offset an increase in inventories.

Implications: Sales of existing homes rebounded nicely in March, coming in at a 5.19 million annual rate, the best level since September 2013. Sales are up 10.4% from a year ago, and the underlying trend suggests more solid gains in the year ahead. Sales of distressed homes (foreclosures and short sales) now account for only 10% of total sales, down from 14% a year ago. All-cash buyers are down to 24% of sales from 33% a year ago. As a result, even though total sales are up 10.4% from a year ago, non-cash sales (where the buyer uses a mortgage loan) are up 25.3%. What this means is that when distressed and all-cash sales eventually bottom out, total sales will start rising at a more rapid pace. So even though credit (but, not liquidity) remains relatively tight, we see evidence of a thaw, which suggests overall sales will climb at a faster pace in the year ahead. What's interesting is that the percentage of buyers using credit has increased as the Fed tapered and then ended QE. Those predicting a housing crash without more QE were completely wrong. Another good sign is that the inventory of existing homes increased 100,000 in March, the largest for any March since 2006. More supply should help sales growth in the months ahead. The median sales price of an existing home rose to \$212,100 in March, up 7.8% from a year ago. In other housing news this morning, the FHFA price index, which measures homes financed with conforming mortgages, increased 0.7% in February and is up 5.4% from a year ago. That's a mild deceleration from the 7.1% price gain in the year ended in February 2014. Expect more of the same in the year ahead, with price gains continuing at a slower pace as more home building increases supply.

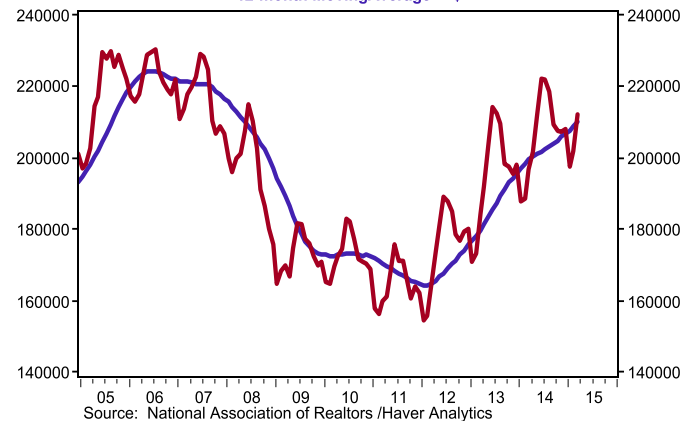
NAR Total Existing Home Sales, United States

SAAR, Thous



Existing Homes: Median Sales Price

Existing Homes: Median Sales Price
 12-month Moving Average



Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Mar-15		Feb-15	Jan-15	3-month	6-month	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	6.1%	5190	4890	4820	4967	5013	10.4
Northeast	6.9%	620	580	620	607	645	1.6
Midwest	10.1%	1200	1090	1080	1123	1135	12.1
South	3.8%	2190	2110	2070	2123	2128	11.7
West	6.3%	1180	1110	1050	1113	1105	11.3
Median Sales Price (\$, NSA)	5.1%	212100	201900	197600	203867	205750	7.8

Source: National Association of Realtors