

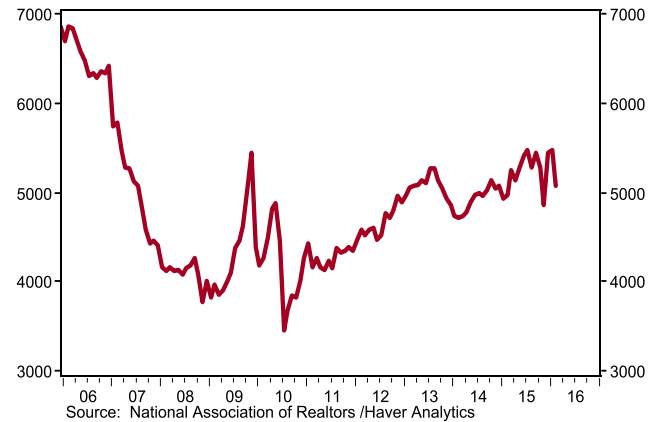
## February Existing Home Sales

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- Existing home sales declined 7.1% in February to a 5.08 million annual rate, coming in below the consensus expected 5.31 million. Sales are up 2.2% versus a year ago.
- Sales fell in all the major regions in February. The decline was almost all due to a drop in single-family homes, although sales of condos/coops slipped as well.
- The median price of an existing home fell to \$210,800 in February (not seasonally adjusted) but is up 4.4% versus a year ago. Average prices are up 2.5% versus last year.
- The months' supply of existing homes (how long it would take to sell the entire inventory at the current sales rate) rose to 4.4 months in February from 4.0 in January. The increase was due to both a slower pace of sales and larger inventories.

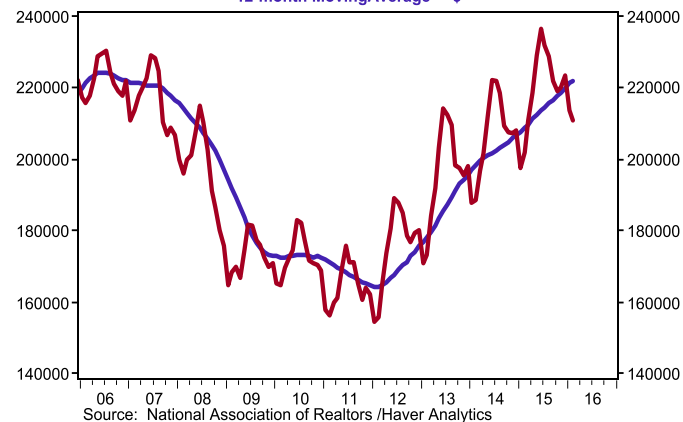
**Implications:** After coming in at the second strongest pace since 2007 in January, existing home sales dropped more than expected in February, coming in below even the most pessimistic forecast. But it's important to remember two things. First, winter storms in the Northeast appeared to have slowed down contract signings in January, and that resulted in lower closings in February. Second, the broader trend has been steadily higher. Sales have averaged a 5.33 million annual rate in the past three months, and a 5.27 rate in the past six months. In other words, housing data can be volatile from month to month, but we expect sales to continue to rise in the months ahead. Sales of previously owned homes fell 7.1% in February to a 5.08 million annual rate, but are still up 2.2% from a year ago. Tight supply and rising prices continue to depress sales. While inventories rose 3.3% in February they are still down 1.1% from a year ago. In fact, the months' supply of existing homes – how long it would take to sell the current inventory at the most recent selling pace – is only 4.4. According to the National Association of Realtors anything less than 5.0 months is considered tight supply. But last week's report on new-home construction showed single family homes are being built at the fastest pace since 2007. This should help alleviate some of the supply constraints as "on the fence" sellers take advantage of higher prices and trade-up to a new home, bringing more existing properties onto the market. February's 4.4% increases in prices from a year ago marks the 48th month of consecutive year over year price gains, which may be pricing some lower-end buyers out of the market. In other recent news, new claims for unemployment insurance rose 7,000 to 265,000 last week, the 54th straight week below 300,000. Continuing claims increased 8,000 to 2.235 million. On the manufacturing front, the Philadelphia Fed index, a measure of sentiment in East Coast manufacturing, came in at 12.4 in March versus -2.8 in February, a stronger-than-expected reading that signals that manufacturing in that region may have turned a corner.

**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	Feb-16		Jan-16	Dec-15	3-month	6-month	Yr to Yr
	% Ch.	level					
<i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>							
<b>Existing Home Sales</b>	-7.1%	5080	5470	5450	5333	5265	2.2
<b>Northeast</b>	-17.1%	630	760	740	710	718	5.0
<b>Midwest</b>	-13.8%	1120	1300	1250	1223	1227	0.0
<b>South</b>	-1.8%	2200	2240	2240	2227	2162	3.3
<b>West</b>	-3.4%	1130	1170	1220	1173	1158	0.9
<b>Median Sales Price (\$, NSA)</b>	-1.4%	210800	213700	223200	215900	218083	4.4

Source: National Association of Realtors