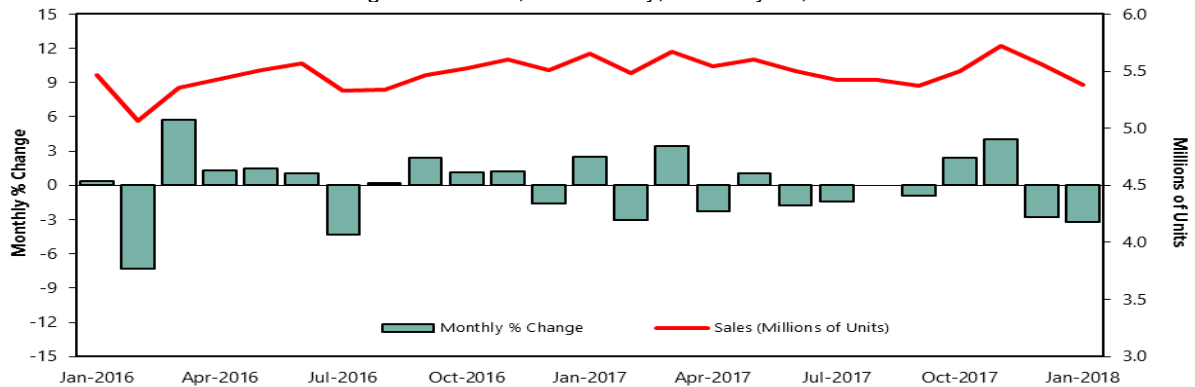


### TIGHT SUPPLY CONSTRAINS SALES Existing Home Sales, Wednesday, February 21, 2018



Record High: 7.25 M (09/05)

Percent Change from Record High -25.8%

Existing home sales fell again in January, declining by 3.2% to annual pace of 5.380 million following a drop of 2.8% in December to an annual pace of 5.560 million. The decline last month wiped out the gains over the past year, with existing home sales down 4.8% in January from January 2017. Regionally, sales fell in all areas of the country with modest declines in the Northwest and South and moderate declines in the Midwest and West. The inventory of homes available for sale increased 4.1% on the month to 1.520 million which represents just a 3.4-month supply at the current sales pace. However, inventories remained down a sharp 9.5% on the year. Clearly, such low supply on the market is constraining sales and lifting prices. House prices continued to move higher over the past year as the median price for an existing home gained 5.8% to \$240,500 in January from January 2017. NAR chief economist, Lawrence Yun noted "Another month of solid price gains underlines this ongoing trend of strong demand and weak supply." Yun went on to say "However, there's hope that the tide is finally turning. There was a nice jump in new home construction in January and homebuilder confidence is high. These two factors will hopefully lay the foundation for the building industry to meaningfully ramp up production as this year progresses."

#### MILLIONS OF UNITS

Forecast:	5.70 M
Consensus*:	5.65 M
<b>Actual:</b>	<b>5.38 M</b>

	Monthly Changes				Average Changes for						
	Jan-18	Dec-17	Nov-17	Oct-17	Three Month	Six Month	Twelve Month	2017	2016	Five Year	Ten Year

<b>Existing Home Sales</b>	<b>5.38</b>	<b>5.56</b>	<b>5.72</b>	<b>5.50</b>	<b>5.55</b>	<b>5.49</b>	<b>5.51</b>	<b>5.51</b>	<b>5.45</b>	<b>5.25</b>	<b>4.78</b>
(percent change)	-3.2	-2.8	4.0	2.4				1.1	3.8		
(year-on-year percent change)	-4.8	0.9	2.1	-0.5							

<b>Northeast (thousands)</b>	<b>730</b>	740	760	740	743	737	732	740	740	696	634
(percent change)	-1.4	-2.6	2.7	2.8				0.0	5.7		
<b>Midwest (thousands)</b>	<b>1,250</b>	1,330	1,400	1,310	1,327	1,313	1,300	1,300	1,300	1,236	1,100
(percent change)	-6.0	-5.0	6.9	0.8				0.0	4.8		
<b>South (thousands)</b>	<b>2,260</b>	2,290	2,330	2,200	2,293	2,232	2,267	2,260	2,220	2,148	1,913
(percent change)	-1.3	-1.7	5.9	3.8				1.8	2.8		
<b>West (thousands)</b>	<b>1,140</b>	1,200	1,230	1,250	1,190	1,210	1,215	1,220	1,190	1,174	1,136
(percent change)	-5.0	-2.4	-1.6	1.6				2.5	1.7		

<b>Inventory (thousands)</b>	<b>1,520</b>	1,460	1,670	1,800	1,550	1,697	1,788	1,460	1,650	1,718	2,163
(percent change)	4.1	-12.6	-7.2	-3.2							
(year-on-year percent change)	-9.5	-11.5	-9.7	-10.4							
<b>Months' Supply</b>	<b>3.4</b>	3.2	3.5	3.9	3.4	3.7	3.9	3.9	4.4	4.6	6.6

<b>Median Sales Price (\$000)</b>	<b>240.5</b>	246.5	247.2	246.0	244.7	246.8	247.1	247.2	233.8	221.8	199.5
(year-on-year percent change)	5.8	5.7	5.5	5.1				5.7	5.1		