

U.S. Housing Flash

Existing Home Sales Climb in April as Supply Rises

- Existing home sales for April reached 4.97M, the highest level since November 2009
- The supply of existing homes reached 5.2 months to help boost overall sales
- The median sales price for single family homes rose 11% on a YoY basis

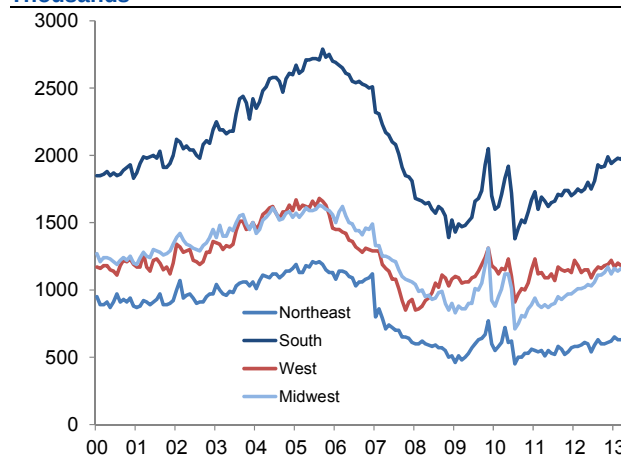
Existing homes sales for April showed some positive momentum, rising 0.6% to 4.97M. Reaching its highest point since November 2009, the level suggests that the decline in supply and sales from March was only temporary and that prices are continuing to bring both buyers and sellers into the market. In terms of regions, the Midwest was the only area to have declined in home sales for the month as its market remains relatively volatile, shifting back and forth since October of last year. The rest of the regions fared better with the South leading the pack as job growth and investment continue to drive the sunbelt region's economy and, therefore, its housing market. Improving the conditions of the housing market was the rise in existing homes for sale that helped drive the overall figure for April. With the supply of existing homes reaching a yearly high of 5.2 months, buyers had increased incentive to go out and look for a home. While we expect the supply of homes to remain constrained for the coming months, a positive move above 5 months shows that the homes are out there and available, but for the right price. As for price the situation continues to favor the seller as the median price of homes has risen 11% on a YoY basis. The actual median price was \$192,800 which is the highest level since August 2008 and a strong shift upward continuing the positive trend since the beginning on the year. Beginning the quarter with strong figures, existing homes sales will likely drive a majority of the housing recovery in 2Q13 and beyond, along with some pent up demand for new homes that will encourage increased construction.

Graph 1
**Existing Home Sales
SAAR YoY% Change**



Source: US Census Bureau & BBVA Research

Graph 2
**Existing Home Sales by Region
Thousands**



Source: Bureau of Economic Analysis & BBVA Research

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