



## HOUSING MARKET

(Slide 1) Hello everyone. Thank you for joining us once again here at Seifried & Brew. I am Jamie Sumner, Chief Analyst. For this week's webcast we want to look at the **Housing Market** right now. Last week we had **Existing Home Sales** come out as well as **New Home Sales**. So let's go ahead and look at some of the numbers that we saw.

(Slide 2) Overall, withinside of Existing Home Sales, we are at 5.62 million homes being sold on an annual basis. So we are all the way up here as you can see. We are above where we were back in May of 2007. We are way up here at that 5.62 [million]. We have made some ground, but we are kind of starting to level off a little bit. This shows the power of that low interest rate. As we see interest rates go up, typically what will happen is we will start to see this lag coming in and start to fall down.

But when we dig deeper into some of these numbers (Slide 3) we can see the distribution overall. Sales are up for Existing Home Sales by 1.1% for the Nation. But when we look at the different regions inside the United States we get to see a little different picture. In the Northeast, we saw their Existing Home Sales increase by 6.8%. The Midwest here, however, we saw a decline in the overall Home Sales; the Existing Home Sales down by -5.9%. And then in the West they were up 3.4%. And then in the South, where the majority of Homes Sales occurred, up 2.2%.

(Slide 4) A really interesting graphic put out by the **National Association of Realtors**. Here we can see the median price of existing home sales at that \$252,800. And we can see how the split is between single-family and condos, with single-family homes making up 4.98 million compared to the condos and co-ops at 640,000 homes. But overall very tight market; on average homes stayed on the market for 27 days. That is down from 29 days back in April and that's actually the lowest number since they have been tracking it from May 2011. So, a very tight market in here.

As far as price distribution across the United States, (Slide 5) you can see the Northeast on average or the median price is \$281,300. That is actually up 4.7%. The Midwest at \$203,900; that is actually up 7.3%. Perhaps that is the cause of that decline with in that area. We look at the West; we are at \$368,800, up 6.9%. And then in the South, here at \$221,900, up 5.3%. So that is how the existing home sales lay out here for the month of May.

(Slide 6) Looking into new homes, we have to go through this process when looking at new home sales, starting with the **building permits**. Obviously, when we work through building a house it starts with a permit, then begin building and then selling it. So, the building permits, you can see where we were back in 2007, up over almost 1.5 million. We have made some headway coming back here. And you can see where we are today or in May at 1,168,000 building permits. We have come a long way, but we have not reached where we were back in 2007.

What is concerning though is this downward trajectory here in the most recent months. (Slide 6) We look at the housing starts. So we are moving from the permits to the housing starts. Similar trend as we work back and again we start to see this dip coming in here with the housing starts. It is important to look at the building permits and the housing starts, because this is almost a projection for construction workers as well as material orders in here and with housing starts coming down that could be a reflection of a potential pull off slightly with inside of the materials and the employment. (Slide 7) When looking at the overall New Home Sales we can see this steady uptick here, came down last couple of months, but then we picked back up this month. In fact, we are at that 610,000 new homes being sold. The market has an inventory of about 5.3 months, and that is actually an improvement



from where we were so that's pretty good number here. It's pretty interesting how the number of homes continue to come onto the market. Overall median new home sales price is at \$345,800, up about 11.5% month over month. So that's where we have new home sales.

That's what we have for you today. We look forward to talking to you next week when we look at different economic numbers and financial statistics. Have a great week everyone.

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