

U.S. Housing Flash

Existing Home Sales Reach Multi-year Highs in July

- Existing home sales in July hit the highest level since November 2009
- The supply of existing homes remained stable at 5.1 months
- The median sales price for single family homes rose 13.7% on a YoY basis

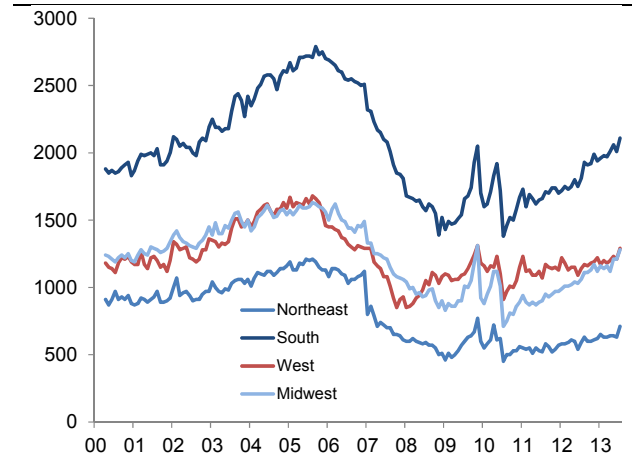
Existing home sales for July surged higher as the momentum driving the housing recovery accelerated further. Up 6.5% on a monthly basis, existing home sales hit a multi-year high as every region added over 70K in sales for the month. This monthly growth rate is also the fastest pace seen since August 2010, furthering the prolific jump that the month's data shows. Overall, 84% of the rise in existing family homes can be attributed to single family home sales, which is significant given that housing starts remain fixated on multi-family and condo style arrangements rather than single family, possibly posing a greater shortage in the coming months in new homes. In terms of regions, the South continues to see the largest fluctuations, rising 100K in July after falling 50K the month prior. The West and Northeast fared about the same in July, up 80K with the Midwest trailing slightly, up 70K. On a YoY basis, the figures are consistent with the upward trend we have seen since January of last year, save some short falls, and we expect this trend to continue as long as the supply of homes remains relatively stable or does not fall. As of July, the supply of existing homes remained at 5.1 months and we expect it to hover around that area for the coming months. This will help drive prices higher although July saw a slight decline on a monthly basis but 13.7% on a YoY basis. We expect, given the strength of the July figures, that existing home sales will continue to rise at a consistent, upward trend.

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

Kim Fraser
kim.fraser@bbvacompass.com
+1 713 831 7345

Alejandro Vargas
alejandro.vargas@bbvacompass.com
+1 713 831 7348

DISCLAIMER

This document was prepared by Banco Bilbao Vizcaya Argentaria's (BBVA) BBVA Research U.S. on behalf of itself and its affiliated companies (each BBVA Group Company) for distribution in the United States and the rest of the world and is provided for information purposes only. Within the US, BBVA operates primarily through its subsidiary Compass Bank. The information, opinions, estimates and forecasts contained herein refer to the specific date and are subject to changes without notice due to market fluctuations. The information, opinions, estimates and forecasts contained in this document have been gathered or obtained from public sources, believed to be correct by the Company concerning their accuracy, completeness, and/or correctness. This document is not an offer to sell or a solicitation to acquire or dispose of an interest in securities.