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**Economics Group**

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**Existing Home Sales Surge in February**

*Existing home sales likely hit their peak pace in February, with sales jumping 6.5% to a 5.77 million-unit pace. This is likely the last hurrah for housing for a while, as closings reportedly slowed abruptly during March.*

### The Last Hurrah for Housing?
- If the business cycle did hit its peak in February, then if may be appropriate that existing home sales, which were at the center of the Great Recession, would hit their highest level of the cycle that month. February’s sales pace is the highest since 2007.
- All of the gain in sales came in single-family units, which rose 7.3% to a 5.17 million-unit pace. That marks the strongest sales pace since December 2006.

### Housing Was Just Putting Tax Reform Behind It
- Limitations on the deductibility of mortgage interest and state and local taxes had slowed sales in the Northeast and West in 2019 but those markets had been adjusting to those changes.
- The sudden stop of economic activity and sharp equity market selloff is giving buyers pause. There are anecdotal reports from all over the country of sellers canceling open houses and buyers walking away from closings, which should show up next month.

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**Source:** National Association of Realtors and Wells Fargo Securities