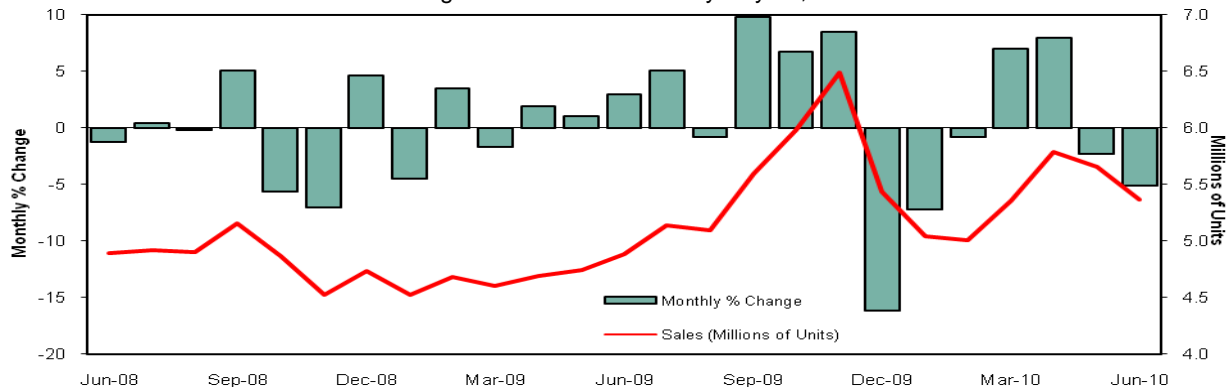


STILL FALLING AFTER THE TAX CREDIT EXPIRATION

Existing Home Sales – Thursday July 22, 2010



Record High: 7.25 M (09/05)

Percent Change from Record High: -25.9%

Existing home sales fell 5.1% in June to an annual rate of 5.37 million compared to market expectations for a larger decline to a rate of 5.10 million. This was the second month of declines following the expiration of the home buyer tax credit at the end of April. Despite the declines home re-sales are up 9.8% from one year ago but down 25.9% from their peak reached in September 2005. First time home buyers accounted for 43% of total sales while distressed sales accounted for about one-third. Regionally sales fell in all areas except for the Northeast where they gained 7.9%. The inventory of homes available for sale increased 2.5% to 3.992 million which reflects an 8.9 month-supply at the current sales pace. Prices rose modestly last month with the median existing home sales price up 1.0% over the past year to \$183,700 while average prices climbed 1.4% to \$230,900. Home sales are slipping in the post tax credit period but at this juncture they remain higher than in 2009. In order for sales to exceed last year's pace in the second half of this year, interest rates must remain low and job growth needs to kick in to support ongoing demand for housing.

MILLIONS OF UNITS

Forecast:	5.00 M
Consensus*:	5.10 M
Actual:	5.37 M

	Monthly Changes				Average Changes for						
	Jun-10	May-10	Apr-10	Mar-10	Three Month	Six Month	Twelve Month	2009	2008	Five Year	Ten Year
Existing Home Sales (millions)	5.37	5.66	5.79	5.36	5.61	5.37	5.50	5.16	4.89	5.86	5.84
(percent change)	-5.1	-2.2	8.0	7.0							
(year-on-year percent change)	9.8	19.2	23.2	16.3				5.4	-13.8		
Northeast (thousands)	960	890	1,090	900	980	917	946	1,009	1,093	1,079	#N/A
(percent change)	7.9	-18.3	21.1	7.1				-7.7	-6.4		
Midwest (thousands)	1,230	1,330	1,330	1,210	1,297	1,215	1,251	1,329	1,494	1,483	#N/A
(percent change)	-7.5	0.0	9.9	9.0				-11.0	-6.0		
South (thousands)	2,010	2,150	2,140	1,970	2,100	1,997	2,042	2,244	2,577	2,466	#N/A
(percent change)	-6.5	0.5	8.6	7.1				-12.9	-4.7		
West (thousands)	1,170	1,290	1,230	1,290	1,230	1,247	1,261	1,093	1,357	1,407	#N/A
(percent change)	-9.3	4.9	-4.7	5.7				-19.5	-16.1		
Inventory (thousands)	3,992	3,893	4,029	3,626	3,971	3,725	3,701	3,974	3,450	2,957	#N/A
(percent change)	2.5	-3.4	11.1	2.7							
(year-on-year percent change)	4.7	1.1	2.3	-0.6				15.2	21.2		
Months' Supply	8.9	8.3	8.4	8.1	8.5	8.3	8.1	9.2	8.5	6.3	#N/A
Median Sales Price (\$000)	183.7	174.6	172.3	169.6	176.9	171.6	173.1	172.7	197.2	205.4	#N/A
(year-on-year percent change)	1.0	-0.1	3.5	-0.2				-12.4	-9.0		
Average Sales Price (\$000)	230.9	220.9	217.3	214.5	223.0	217.4	218.6	263.7	268.3	251.8	#N/A
(year-on-year percent change)	1.4	1.2	4.2	1.5				-1.7	1.2		

Source: Bureau of the Census, Department of Commerce Via Haver Analytics. Data, graph & table courtesy of Insight Economics *Bloomberg
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