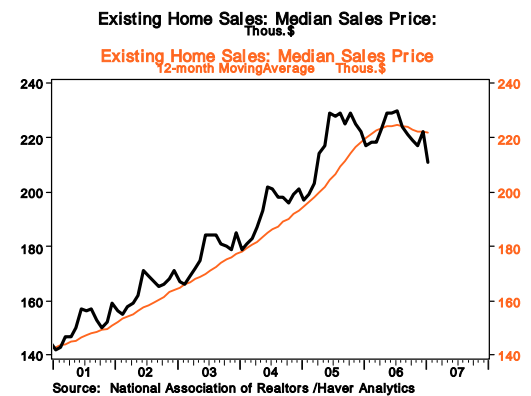
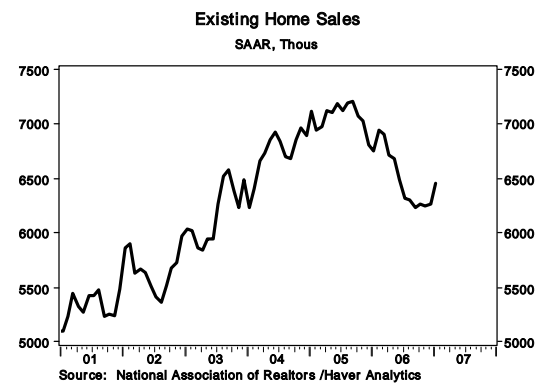


JAN EXISTING HOME SALES

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- Existing home sales increased 3.0% in January to an annual rate of 6.46 million, much better than the consensus expected level of 6.24 million.
- Sales increased in the South, Midwest, and West, but were flat in the Northeast. By type of home, single-family home sales accounted for all the gain; condo/coop sales dropped slightly.
- The median price of an existing home fell to \$210,600 in January, down 2.8% versus a year ago and the lowest level since April 2005.
- Driven by declining inventories of condos/coops, the months' supply of new homes (how many months it would take to clear the inventory of unsold existing homes at the current sales rate) remained at 6.6 – the lowest level since May 2006.



Implications: Although existing home sales reached the highest level in seven months, today's report does not signal the end of the housing correction. The 2.8% drop in existing home prices versus last January suggests home buyers are still tentative. In other data out today on housing, the monthly Case-Shiller price index for home sales dropped 0.8%, the largest one-month decline since 1991. That said, the drop in the months' supply of existing homes suggests housing will become less of a drag on real economic growth over the course of 2007. In other news today, the share of consumers saying jobs are "hard to get" fell to 17.5%, the lowest since 2001 and less than half the 35.1% peak hit in September 2003, a sign that the labor market will continue to strengthen in the months ahead.

Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Jan-07		Dec-06	Nov-06	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	3.0%	6460	6270	6250	6327	6298	-4.3
Northeast	0.0%	1070	1070	1080	1073	1058	5.9
Midwest	4.8%	1530	1460	1420	1470	1447	-0.6
South	2.0%	2540	2490	2470	2500	2510	-7.3
West	5.6%	1320	1250	1280	1283	1283	-9.6
Median Sales Price (\$, NSA)	-5.0%	211	222	217	217	219	-2.8

Source: National Association of Realtors