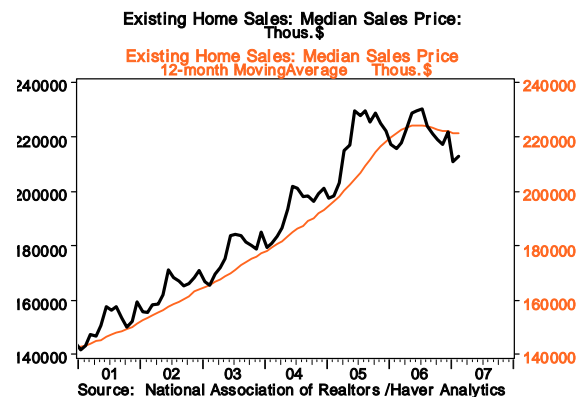
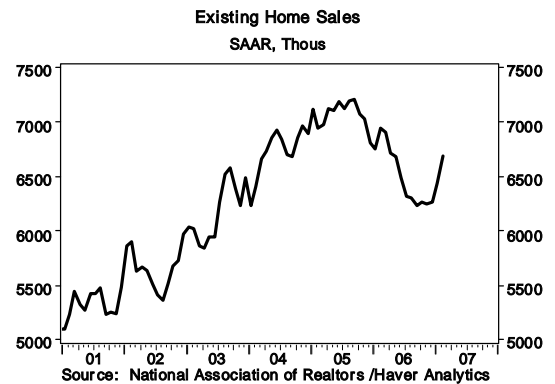


## FEB EXISTING HOME SALES

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- Existing home sales increased 3.9% in February to an annual rate of 6.69 million, substantially better than the consensus expected level of 6.30 million.
- Sales increased in the Northeast, Midwest, and South, but were flat in the West. Both single-family home sales and condo/coop sales made gains.
- The median price of an existing home rose to \$212,800 in February, but is still down 1.3% versus a year ago.
- Despite the increase in sales, the months' supply of new homes (how many months it will take to clear the inventory of unsold existing homes at the current sales rate) ticked up to 6.7 – as condo/coop inventories swelled.

**Implications:** Today's report on existing home sales signals stabilization in the housing market, not collapse. For the second straight month existing home sales came in much higher than expected. February sales were the most in ten months and the three-month moving average has moved up for three straight months. However, today's data does not mean the housing correction is completely over. It will take time for the housing market to clear inventories, meaning residential investment will continue to be a drag on real GDP growth.



Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Feb-07		Jan-07	Dec-06	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
<b>Existing Home Sales</b>	<b>3.9%</b>	<b>6690</b>	6440	6270	6467	6358	-3.6
<b>Northeast</b>	<b>14.2%</b>	<b>1210</b>	1060	1070	1113	1082	3.4
<b>Midwest</b>	<b>3.9%</b>	<b>1580</b>	1520	1460	1520	1470	-1.9
<b>South</b>	<b>1.6%</b>	<b>2580</b>	2540	2490	2537	2520	-4.4
<b>West</b>	<b>0.0%</b>	<b>1320</b>	1320	1250	1297	1288	-9.6
<b>Median Sales Price (\$, NSA)</b>	<b>0.9%</b>	<b>212800</b>	210900	221600	215100	217067	-1.3

Source: National Association of Realtors