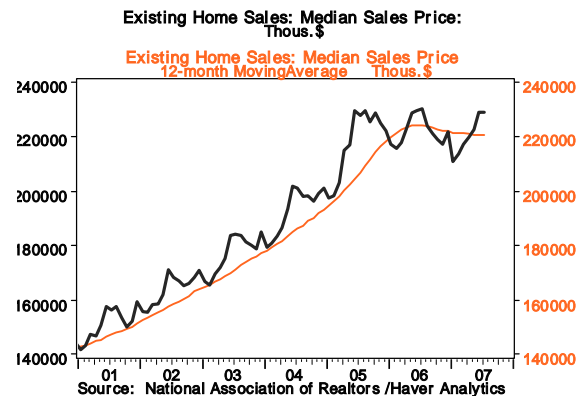
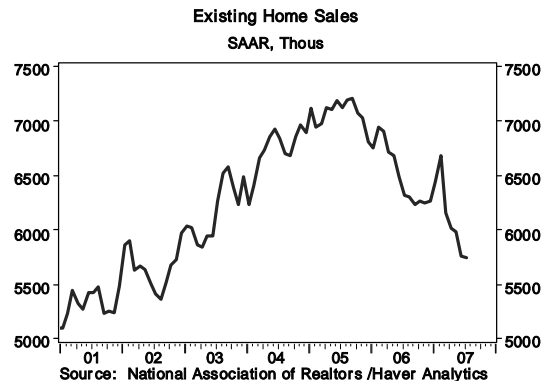


## JULY EXISTING HOME SALES

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- Existing home sales declined 0.2% in July to an annual rate of 5.75 million, which was above the consensus expected level of 5.70 million. Despite this, the July level was the lowest since November 2002.
- Sales increased slightly in the Northeast and West, dropped slightly in the Midwest, and remained the same in the South. By type of home, sales were a little slower for single-family homes and a little faster for condos/coops.
- The median price of an existing home fell to \$228,900 in July (not seasonally adjusted) and is down 0.6% versus a year ago.
- The months' supply of existing homes (how many months it will take to clear the inventory of unsold homes at the current sales rate) increased to 9.6 months, the highest since the early 1990s.



**Implications:** Today's report on existing home sales added little to the current knowledge base about the state of the housing market. Existing home sales are counted at final settlement – so these contracts were signed in previous months. Today's data are even more stale than Friday's report which showed a healthy increase in new home sales. (New home sales are booked when a contract is signed.) Moreover, both new and existing home sales data are from periods prior to recent credit market turmoil. As a result, they do not provide investors with any significant information on how recent problems may have affected the housing market. We look for tomorrow's release of the Case-Shiller home price data to shed more light on the housing market.

Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Jul-07		Jun-07	May-07	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
<b>Existing Home Sales</b>	-0.2%	5750	5760	5980	5830	6055	-9.0
<b>Northeast</b>	1.0%	1020	1010	1090	1040	1087	-2.9
<b>Midwest</b>	-2.2%	1350	1380	1410	1380	1415	-5.6
<b>South</b>	0.0%	2260	2260	2300	2273	2363	-10.7
<b>West</b>	1.8%	1120	1100	1180	1133	1187	-15.2
<b>Median Sales Price (\$, NSA)</b>	-0.1%	228,900	229,200	222,700	226,933	221,933	-0.6

Source: National Association of Realtors

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