

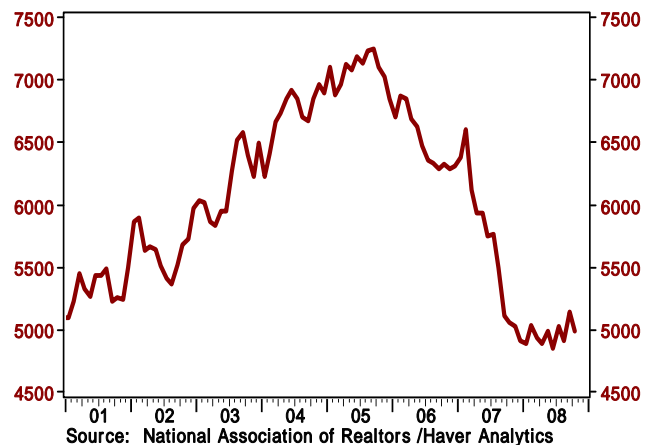
OCTOBER EXISTING HOME SALES

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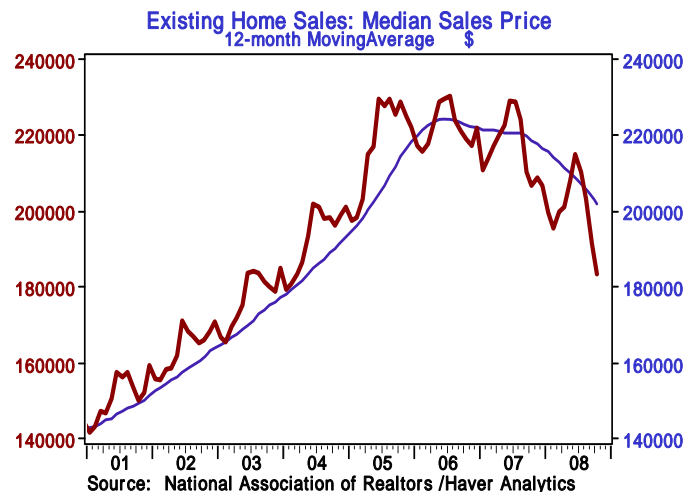
- Existing home sales declined 3.1% in October to an annual rate of 4.98 million, slightly below the consensus expected selling rate of 5.00 million. Existing home sales are down 1.6% versus a year ago.
- Sales were down in all major regions. Almost all the decline in sales was due to single-family units; sales of condos/co-ops were essentially unchanged.
- The median price of an existing home declined to \$183,300 in October (not seasonally adjusted) and is down 11.3% versus a year ago. Single-family home prices are down 11.2% versus last year.
- The months' supply of existing homes (at the current sales rate) rose to 10.2 in October from 10.0 in September. The months' supply of single-family homes rose to 9.6 in October from 9.4 in September.

Implications: Existing home sales remained range bound in October, continuing to hover in the same 4.85 million to 5.14 million annualized pace established fourteen months ago. The selling pace has been steady as the rest of the economy has fallen into recession because home sellers – both normal homeowners and banks (after foreclosures) – are cutting prices rapidly. Existing home prices are down 11.3% versus a year ago, the largest decline on record. We expect further price declines for the foreseeable future as the sector continues to work off excess inventory. The months' supply of single-family existing homes is 9.6, substantially below the cycle peak of 11.0 set in June, which was the highest since 1985. A normal level for the months' supply is likely below 6.0. Meanwhile, a good sign is that credit-worthy home buyers are still able to get loans.

Total Existing Home Sales
SAAR, Thous



Existing Home Sales: Median Sales Price



Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Oct-08		Sep-08	Aug-08	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	-3.1%	4980	5140	4910	5010	4982	-1.6
Northeast	-1.2%	830	840	840	837	863	-9.8
Midwest	-6.0%	1100	1170	1140	1137	1135	-9.1
South	-3.2%	1840	1900	1860	1867	1870	-10.2
West	-1.6%	1210	1230	1070	1170	1115	37.5
Median Sales Price (\$, NSA)	-4.2%	183300	191400	203100	192600	201850	-11.3

Source: National Association of Realtors