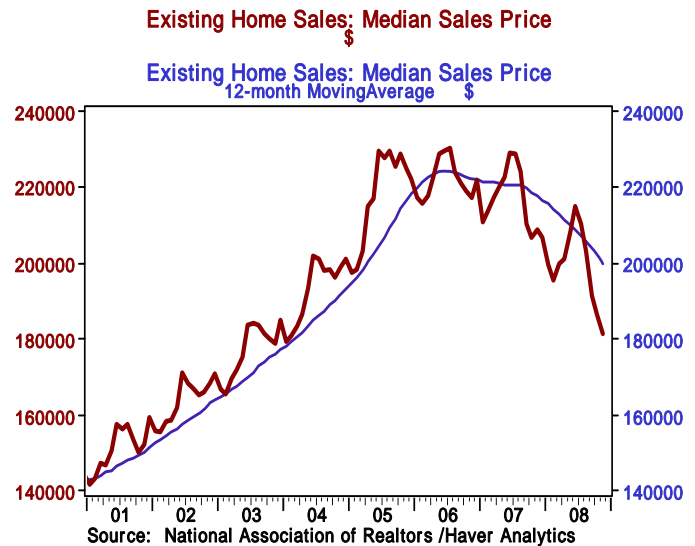
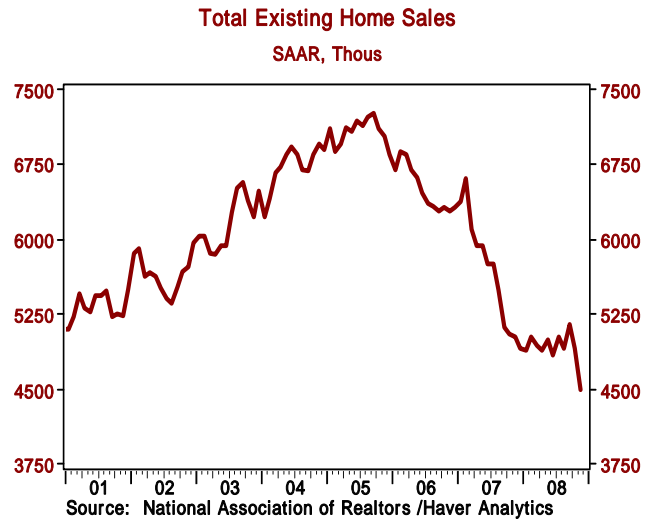


NOVEMBER EXISTING HOME SALES

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- Existing home sales declined 8.6% in November to an annual rate of 4.49 million, well below the consensus expected selling rate of 4.93 million. Existing home sales are down 10.6% versus a year ago.
- Sales were down in all major regions. Most of the decline in sales was due to single-family units, but sales of condos/co-ops were also down.
- The median price of an existing home declined to \$181,300 in November (not seasonally adjusted) and is down 13.2% versus a year ago. Single-family home prices are down 12.8% versus last year, the largest decline on record, going back to the late 1960s.
- The months' supply of existing homes (at the current sales rate) rose to 11.2 in November from 10.3 in October. The months' supply of single-family homes rose to 10.6 in November from 9.7 in October.

Implications: Existing home sales in November broke well below the roughly five million annualized pace that had prevailed for the previous 14 months. Meanwhile, prices on existing single-family homes were 12.8% below last year, the largest drop on record. November sales represent closings, the final step of the home-buying process (as opposed to new home sales, which represent initial contracts placed on homes). As a result, the weakness in November for existing homes largely reflects the intense risk aversion hysteria of September, back around the Lehman Brothers bankruptcy. November looks like the bottom for existing home sales. In other news this morning, the Richmond Fed Index, a measure of manufacturing in the mid-Atlantic region, fell to -55 in December (a record low dating back to 1993) from -38 in November. However, the University of Michigan's consumer sentiment index increased to 60.1 in December from 55.3 in November, mostly due to consumers' assessment of current economic conditions. Normally, consumer sentiment readings are not useful for forecasting the future path of the economy. However, when a recession is caused by a rare slowdown in the velocity of money, data on consumer attitudes becomes more important in determining when the economy will turn back up.



Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Nov-08		Oct-08	Sep-08	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	-8.6%	4490	4910	5140	4847	4887	-10.6
Northeast	-12.0%	730	830	840	800	833	-18.0
Midwest	-7.4%	1000	1080	1170	1083	1105	-16.0
South	-10.9%	1640	1840	1900	1793	1825	-17.6
West	-4.3%	1120	1170	1230	1173	1125	17.9
Median Sales Price (\$, NSA)	-2.8%	181300	186500	191400	186400	197950	-13.2

Source: National Association of Realtors

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