

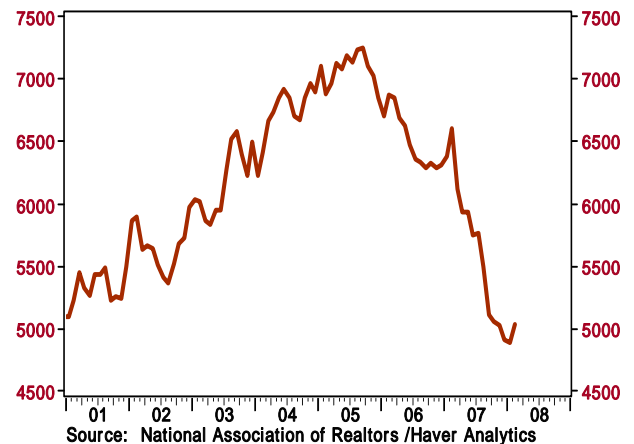
## FEBRUARY EXISTING HOME SALES

Chief Economist – Brian S. Wesbury  
Senior Economist – Robert Stein, CFA

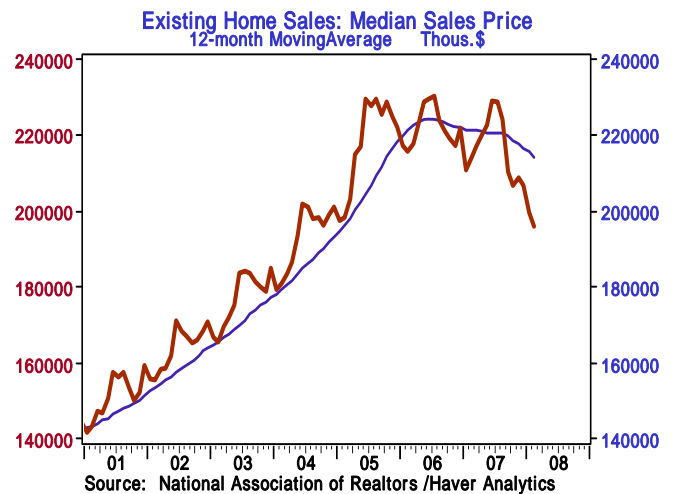
- Existing home sales increased 2.9% in February to an annual rate of 5.03 million, well above the consensus expected level of 4.85 million. Existing home sales are down 23.8% versus a year ago.
- Sales were up in the Northeast, South, and Midwest but were down slightly in the West. By type of home, sales were up for both single-family homes and condos/coops.
- The median price of an existing home fell to \$195,900 in February (not seasonally adjusted) and is down 8.2% versus a year ago. Single-family home prices are down 8.7% versus last year.
- The months' supply of existing homes (at the current sales rate) declined to 9.6 in February from 10.2 in January. The months' supply of single-family homes dropped to 9.2 in February from 10.0 in January.

**Implications:** Today's report on existing home sales was better than expected, but the pain in the housing sector is not over. The best news in today's report is that the inventory of existing homes is declining. The bounce in sales is also encouraging, although there was also a temporary spike in February 2007, so the data may be having problems with seasonal adjustments. Meanwhile, prices continued to plummet, with the market value of a median single-family home down 8.7% versus a year ago, the largest drop on record (going back to the late 1960s). More timely news on home sales will arrive on Wednesday when we get data on new home sales in February. New home sales figures are timely because they are counted when a contract is accepted on a house; existing home sales are counted at closing, further along in the home-buying process. Tomorrow we get more data on home prices.

Total Existing Home Sales  
SAAR, Thous



Existing Home Sales: Median Sales Price  
Thous.\$



Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Feb-08		Jan-08	Dec-07	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	%Ch.	level					
<b>Existing Home Sales</b>	<b>2.9%</b>	<b>5030</b>	4890	4910	4943	5003	-23.8
<b>Northeast</b>	<b>11.3%</b>	<b>890</b>	800	840	843	875	-26.4
<b>Midwest</b>	<b>2.5%</b>	<b>1240</b>	1210	1160	1203	1205	-19.5
<b>South</b>	<b>2.1%</b>	<b>1990</b>	1950	1960	1967	2000	-22.0
<b>West</b>	<b>-1.1%</b>	<b>920</b>	930	950	933	927	-29.2
<b>Median Sales Price (\$, NSA)</b>	<b>-1.9%</b>	<b>195900</b>	199700	207000	200867	204767	-8.2

Source: National Association of Realtors