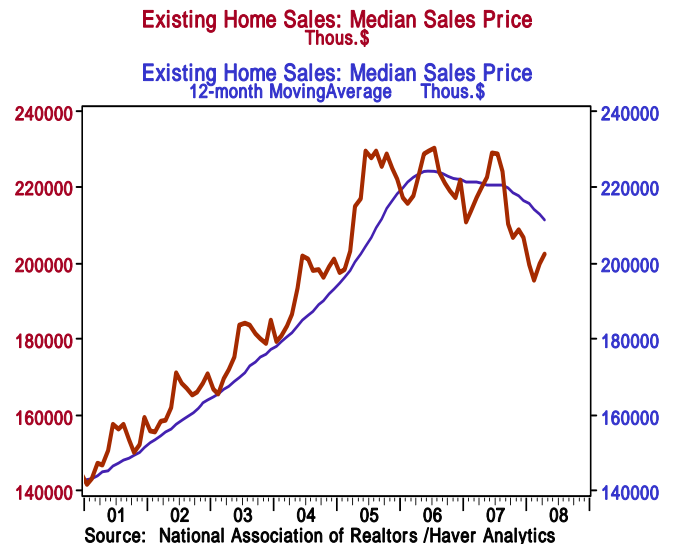
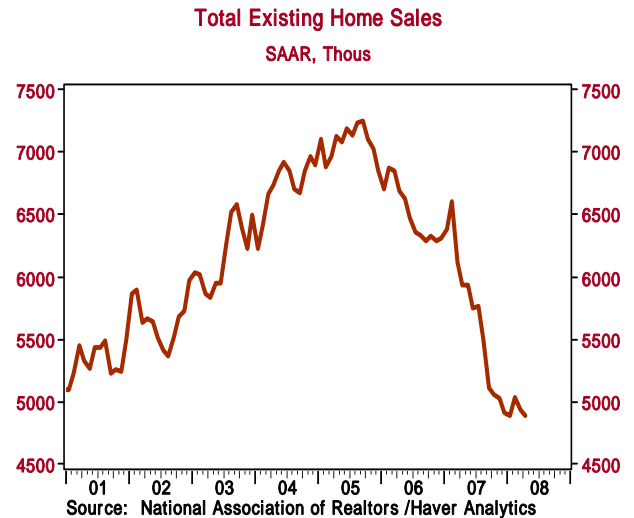


APRIL EXISTING HOME SALES

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- Existing home sales declined 1.0% in April to an annual rate of 4.89 million, narrowly beating the consensus expected selling rate of 4.85 million. Existing home sales are down 17.5% versus a year ago.
- Sales were down in the Northeast and Midwest, unchanged in the South, and up in the West. By type of home, sales were down for both single-family units and condos/co-ops.
- The median price of an existing home rose to \$202,300 in April (not seasonally adjusted) but is down 8.0% versus a year ago. Single-family home prices are down 8.5% versus last year.
- The months' supply of existing homes (at the current sales rate) increased to 11.2 in April from 10.0 in March. The months' supply of single-family homes rose to 10.7 in April from 9.6 in March.

Implications: The housing sector is still hurting, but the pace of decline in existing home sales has slowed from the breakneck pace set last year. Existing home sales are down 17.5% versus last year, but as recently as February the year-to-year comparison was -23.8%. The worst news in Friday's report on existing homes was that inventories rose substantially, with the months' supply up to 11.2 in April from 10.0 in March. The months' supply of existing homes is now the highest since the late 1990s, which was when the National Association of Realtors started tracking this data series. The months' supply of *single-family* existing homes is the highest since 1985. In other news late last week, OFHEO measures of nationwide home prices (which only include homes financed by "conforming" mortgages) showed moderate declines in home values. Purchase prices declined 0.4% in March – offsetting the 0.4% increase in February – and are down 3.4% versus last year. For Q1 as a whole, home prices for all homes covered by OFHEO (not just purchased homes) fell at a 0.9% annual rate versus the roughly 5% rate the consensus expected.



Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Apr-08		Mar-08	Feb-08	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	-1.0%	4890	4940	5030	4953	4947	-17.5
Northeast	-4.4%	870	910	890	890	867	-14.7
Midwest	-6.0%	1100	1170	1240	1170	1178	-19.7
South	0.0%	1920	1920	1990	1943	1955	-18.6
West	6.4%	1000	940	920	953	948	-15.3
Median Sales Price (\$, NSA)	1.1%	202300	200100	195600	199333	202250	-8.0

Source: National Association of Realtors