

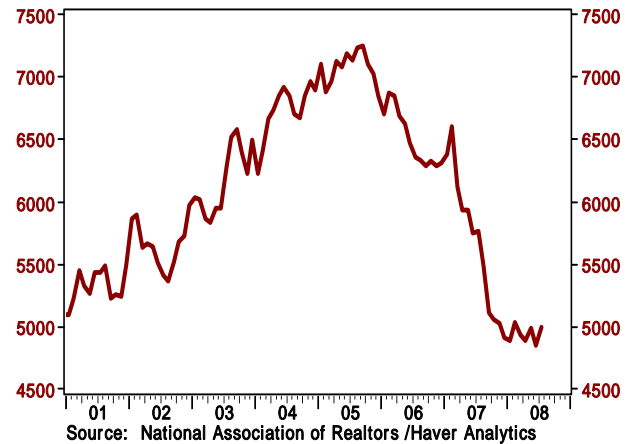
JULY EXISTING HOME SALES

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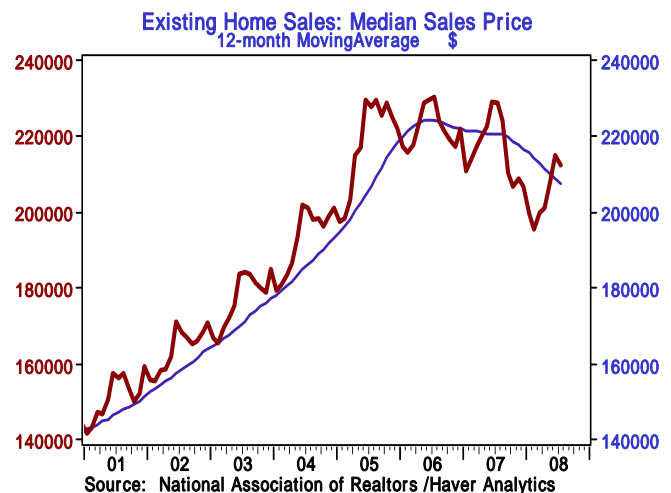
- Existing home sales increased 3.1% in July to an annual rate of 5.00 million, beating the consensus expected selling rate of 4.91 million. Existing home sales are down 13.2% versus a year ago.
- Sales were up in the Northeast, Midwest, and West, but down slightly in the South. By type of home, sales were up for both single-family units and condos/co-ops.
- The median price of an existing home declined to \$212,400 in July (not seasonally adjusted) and is down 7.1% versus a year ago. Single-family home prices are down 7.7% versus last year.
- The months' supply of existing homes (at the current sales rate) rose to 11.2 in July from 11.1 in June. However, all of the increase was due to condos/coops. The months' supply of single-family homes fell to 10.6 in July from 11.0 in June.

Implications: Existing home sales appear to have bottomed in the past several months, which is an important early step in the healing of the housing market. As the top chart to the right shows, in the past 11 months, the annualized rate of sales has hovered in a narrow range between a low of 4.85 million and a high of 5.11 million. At 5.00 million, the sales rate in July was in the middle of the range. So despite widespread stories about problems in the mortgage market, with higher interest rates and fears about securitization via Fannie Mae and Freddie Mac, home buyers seem able to get loans. Meanwhile, after hitting 11.0 in June – the highest level since 1985 – the months' supply of single-family existing homes fell back to 10.6 in July. The increase in the months' supply of all existing homes was due to a spike in the number of condos/coops for sale. Despite the hopeful signs for sales and single-family home inventories, prices continue to weaken and are unlikely to hit bottom for about another year.

Total Existing Home Sales
SAAR, Thous



Existing Home Sales: Median Sales Price



Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Jul-08		Jun-08	May-08	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	3.1%	5000	4850	4990	4947	4950	-13.2
Northeast	5.9%	900	850	910	887	888	-11.8
Midwest	0.9%	1120	1110	1160	1130	1150	-17.0
South	-0.5%	1850	1860	1910	1873	1908	-18.1
West	9.7%	1130	1030	1020	1060	1007	0.9
Median Sales Price (\$, NSA)	-1.3%	212400	215100	207900	211800	205383	-7.1

Source: National Association of Realtors