

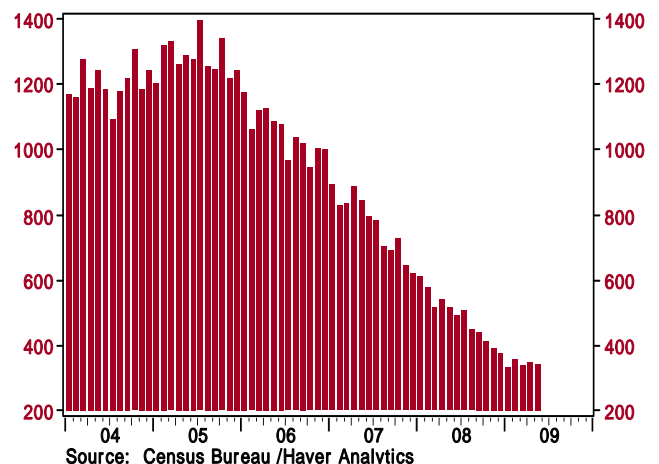
MAY NEW HOME SALES

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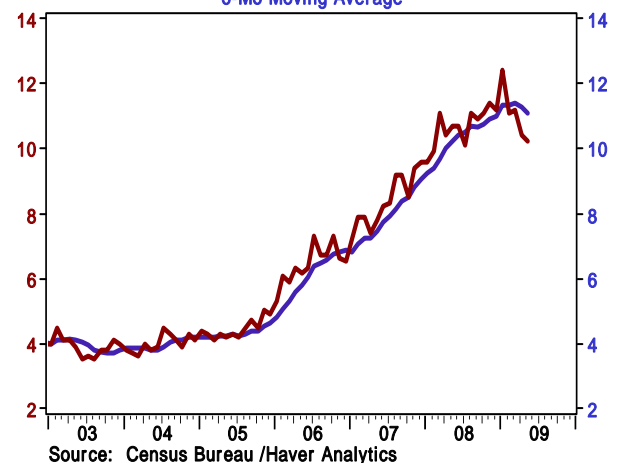
- New single-family homes were sold at a 342,000 annual rate in May versus a consensus expected selling rate of 360,000.
- Sales were up in the Northeast, Midwest, and West but down in the South.
- At the current sales pace, the supply of unsold new homes fell to 10.2 months in May from a revised 10.4 in April. The decline in the months' supply was all due to a continued decline in the inventory of unsold new homes. Inventories fell to 292,000 in May, down 49.0% from the peak in mid-2006, and the lowest since 2001.
- The median price of new homes sold was \$221,600 in May, down 3.4% versus a year ago. The average price of new homes sold was \$274,300, down 8.0% versus last year.

Implications: After falling from mid-2005 through January 2009, new home sales have since hovered in an annualized range between 329,000 and 354,000. Although sales fell slightly in May, they were still above the January low and are unlikely to fall below that level. Long-term, new home sales should average about 900,000 to 1,000,000 per year. As excess home inventories (both new homes and existing homes) continue to get worked off, the pace of new home sales will gradually return to this much higher level over the next few years. And today's report shows the necessary inventory correction continues. The number of new homes for sale that are still under construction fell to 111,000, the lowest since 1970. The number of completed new homes for sale fell to 135,000, the lowest since 2006. Meanwhile, in justifiable anticipation of an eventual revival of building, home builders are starting to make more vacant lots available to new home buyers.

New 1-Family Houses Sold: United States
SAAR, Thous



Months' Supply at current Sales Rate
Seasonally Adjusted
Months' Supply at current Sales Rate
6-Mo Moving Average



New Home Sales <i>All Data Seasonally Adjusted, Levels in Thousands</i>	May-09		Apr-09	Mar-09	3-mo moving avg	6-mo moving avg	Yr to Yr % Change
	% Ch	Level					
New Single Family Homes Sales	-0.6%	342	344	335	340	346	-32.8
Northeast	28.6%	27	21	20	23	26	-12.9
Midwest	18.6%	51	43	46	47	50	-32.0
South	-8.5%	184	201	194	193	193	-35.9
West	1.3%	80	79	75	78	77	-31.0
Median Sales Price (\$, NSA)	4.2%	221,600	212,600	202,000	212,067	214,017	-3.4
		May-09	Apr-09	Mar-09	3-mo Avg	6-mo Avg	12-mo Avg
Months' Supply at Current Sales Rate (Levels)		10.2	10.4	11.2	10.6	11.1	11.0

Source: Bureau of the Census

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