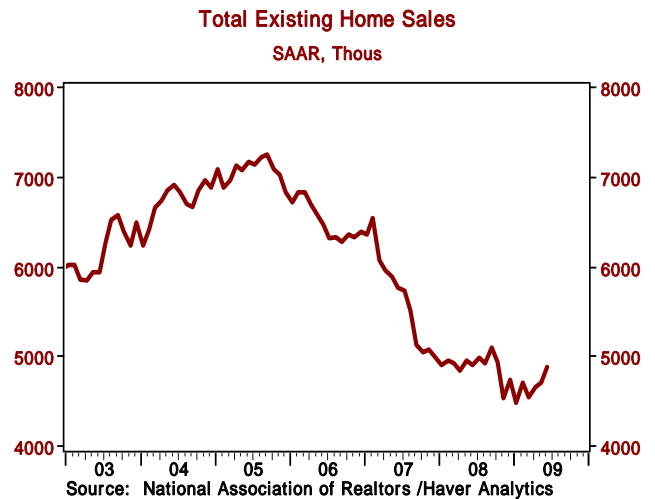


# JUNE EXISTING HOME SALES

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- Existing home sales increased 3.6% in June to an annual rate of 4.89 million, beating the consensus expected pace of 4.84 million. Existing home sales are down only 0.2% versus a year ago.
- Sales were up in all areas of the country. Sales also increased for both single-family units and condos/co-ops.
- The median price of an existing home increased to \$181,800 in June (not seasonally adjusted) but is down 15.4% versus a year ago.
- The months' supply of existing homes (how long it would take to sell the entire inventory, at the current sales rate) decreased to 9.4 months in June from 9.8 months in May. The decline in the months' supply was due to a decrease in the inventory of single-family units and condos/co-ops as well as the faster pace of sales.



**Implications:** Existing home sales increased for the third month in a row in June and are now up 8.9% versus the low set in January. The increase is not just the result of the spring selling season, as the sales figures are seasonally-adjusted. Although median prices for existing homes are still down versus last year, the year-ago comparison is not as bad as it was earlier in 2009 and price gains since January exceed what the market would normally show in the spring selling season. In other housing news, the FHFA home price index increased 0.9% in May, with prices slightly above where they were six months ago. This index measures prices for homes financed by conforming mortgages. We estimate that national average home prices are now very close to fair value. Any further home price declines should be concentrated in the major metropolitan areas of states where overbuilding was the greatest (California, Arizona, Nevada, and Florida). Many areas around the country are likely to see home prices creeping upward before year end. In other news this morning, new claims for unemployment insurance increased 30,000 last week to 554,000. The 4-week moving average for initial claims fell to 566,000, almost 100,000 below where it was in early April. Continuing claims for regular state benefits fell 88,000 to 6.225 million, the lowest since April. Combined, a turnaround in home sales and lower claims for unemployment benefits, support the case for a V-shaped recovery.



Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Jun-09		May-09	Apr-09	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
<b>Existing Home Sales</b>	<b>3.6%</b>	<b>4890</b>	4720	4660	4757	4670	-0.2
<b>Northeast</b>	<b>2.5%</b>	<b>820</b>	800	770	797	745	-4.7
<b>Midwest</b>	<b>0.9%</b>	<b>1100</b>	1090	1000	1063	1047	-1.8
<b>South</b>	<b>4.0%</b>	<b>1810</b>	1740	1740	1763	1730	-3.7
<b>West</b>	<b>6.4%</b>	<b>1160</b>	1090	1150	1133	1147	11.5
<b>Median Sales Price (\$, NSA)</b>	<b>4.1%</b>	<b>181800</b>	174700	166600	174367	171000	-15.4

Source: National Association of Realtors

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