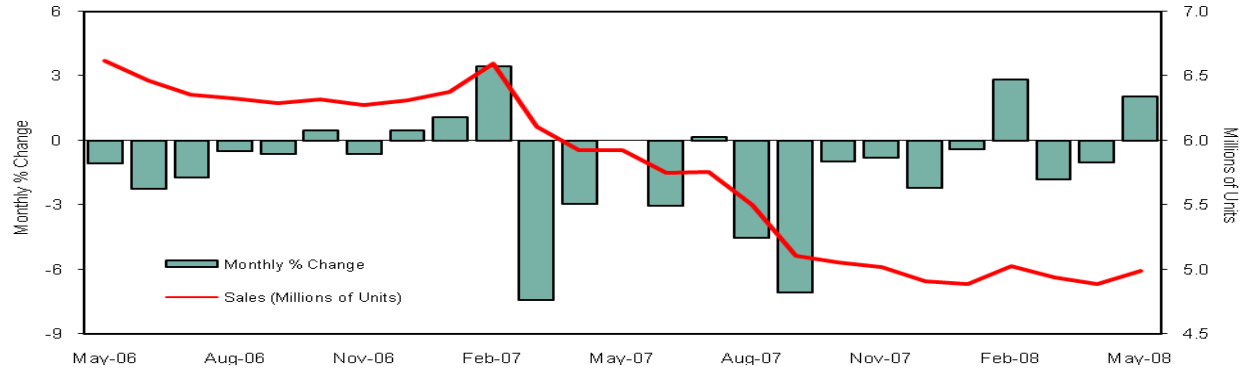


IMPROVED, BUT STILL WEAK Existing Home Sales – Thursday June 26, 2008



RECORD HIGH: 7.25 mln (09/05) RECORD LOW: 1.37 mln (03/70)

The NAR reported that existing home sales, including single-family, townhomes, condos and co-ops, increased 2.0% in May to a seasonally adjusted annual rate of 4.99 million units. Sales remain 15.9% below the 5.93 million-unit pace in May of last year. The Association believes that better-than-expected sales last month were a result of buyers wading back into the market because of recent price declines and more affordable mortgage products. Regionally, sales rose in all areas by varying degrees except for the South where they declined 0.5%. Stronger sales activity resulted in a slight decline in inventory levels. The inventory of homes on the market fell 1.4% to 4.49 million which represents a 10.8 month-supply at the current sales pace. Prices continued to decline amid rising foreclosures and short sales. The median price for an existing home nationwide fell 6.3% over the last year to \$208,600 as average prices declined 6.5% to \$253,100. The improvement in home sales is welcomed; however, the housing market remains weak as evidenced by sky-high inventories and declining sales prices. Weakness is expected to continue going forward.

MILLIONS OF UNITS

Forecast:	4.85 min
Consensus*:	4.95 min
Actual:	4.99 min

	Monthly Changes				Average Changes for						
	May-08	Apr-08	Mar-08	Feb-08	Three Month	Six Month	Twelve Month	2007	2006	Five Year	Ten Year
Existing Home Sales (millions)	4.99	4.89	4.94	5.03	4.94	4.94	5.15	5.67	6.51	6.43	#N/A
(percent change)	2.0	-1.0	-1.8	2.9							
(year-on-year percent change)	-15.9	-17.5	-19.1	-23.8				-12.8	-8.0		
Northeast	910	870	910	890	897	870	914	1,008	1,090	1,078	#N/A
(percent change)	4.6	-4.4	2.2	11.3				-7.5	-6.7		
Midwest	1,160	1,100	1,170	1,240	1,143	1,173	1,223	1,331	1,491	1,483	#N/A
(percent change)	5.5	-6.0	-5.6	2.5				-10.7	-6.2		
South	1,910	1,920	1,920	1,990	1,917	1,942	2,038	2,240	2,576	2,465	#N/A
(percent change)	-0.5	0.0	-3.5	2.1				-13.0	-4.7		
West	1,020	1,000	940	920	987	960	980	1,093	1,353	1,407	#N/A
(percent change)	2.0	6.4	2.2	-1.1				-19.3	-16.3		
Inventory (thousands)	4,485	4,549	4,118	4,018	4,384	4,217	4,303	3,974	3,450	2,957	#N/A
(percent change)	-1.4	10.5	2.5	-3.4							
(year-on-year percent change)	2.4	7.8	8.2	5.6				15.2	21.2		
Months' Supply	10.8	11.2	10.0	9.6	10.7	10.2	10.0	8.4	6.4	5.6	#N/A
Median Sales Price (\$000)	208.6	201.2	200.1	195.6	203.3	202.0	210.0	216.6	222.0	205.4	#N/A
(year-on-year percent change)	-6.3	-8.5	-8.0	-8.4				-2.4	1.7		
Average Sales Price (\$000)	253.1	247.2	247.1	242.0	249.1	248.2	256.5	263.7	268.3	251.8	#N/A
(year-on-year percent change)	-6.5	-7.8	-6.8	-6.9				-1.7	1.2		

Source: Bureau of the Census, Department of Commerce Via Haver Analytics. Data, graph & table courtesy of Insight Economics *Bloomberg
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