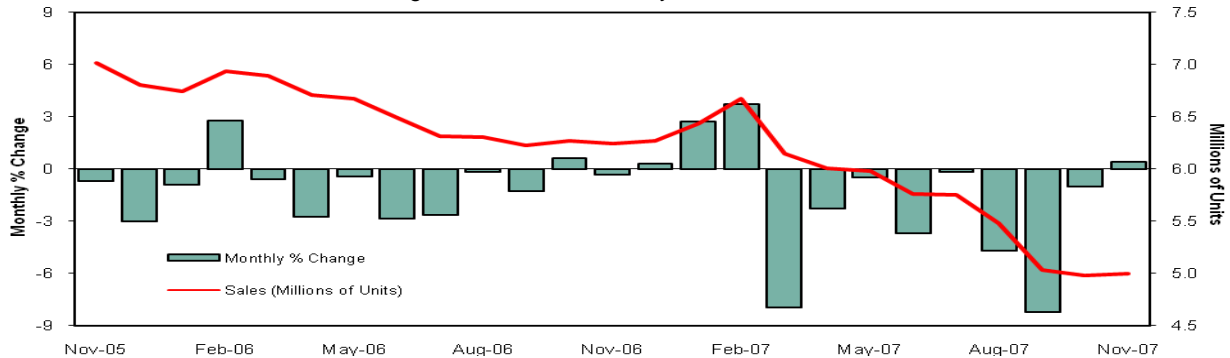


SIGNS OF STABILIZATION Existing Home Sales – Monday, December 31, 2007



RECORD HIGH: 7.21 mln (09/05) RECORD LOW: 1.37 mln (03/70)

Existing home sales increased 0.4% in November to an annual pace of 5.0 million units. This was the first increase since January and is a bounce off of October's sales level, which was the lowest since data collection began in January 1999. Sales of existing homes have fallen 20.0% from their year ago level. Sales were mixed across the country, rising 10.3% in the West, falling 3.3% in the Northeast and 2.0% in the South, while recording no change in the Midwest. The inventory of homes for sale fell to 4.27 million from 4.43 million in the previous month, which lowered the month's supply of homes on the market to 10.3 from 10.7. Further price reductions may be needed to bring buyers back into the market and reduce high levels of inventories. The median existing home prices was down 3.3% to \$210,200 in November from one year ago, compared to a 5.5% year-over-year decline in October. Average sales prices were down 3.1% over the past year to \$256,800. Economists at the NAR project near-term sales will hover in a narrow, low range which indicates some stabilization in the housing market. Downside risks of slower job growth, high inventories and tighter credit availability will likely prevent any recovery in existing home sales until the end of 2008 at the earliest.

MILLIONS OF UNITS

Forecast:	4.85 min
Consensus*:	4.97 min
Actual:	5.00 min

	Monthly Changes				Average Changes for						
	Nov-07	Oct-07	Sep-07	Aug-07	Three Month	Six Month	Twelve Month	2006	2005	Five Year	Ten Year
Existing Home Sales (millions)	5.00	4.98	5.03	5.48	5.00	5.33	5.79	6.51	7.08	6.43	#N/A
(percent change)	0.4	-1.0	-8.2	-4.7							
(year-on-year percent change)	-20.0	-20.6	-19.3	-13.2				-8.0	5.2		
Northeast	870	900	900	1,000	890	950	1,027	1,088	1,169	1,068	#N/A
(percent change)	-3.3	0.0	-10.0	-2.0				-6.9	5.8		
Midwest	1,180	1,180	1,200	1,280	1,187	1,262	1,359	1,492	1,588	1,488	#N/A
(percent change)	0.0	-1.7	-6.3	-5.2				-6.1	3.5		
South	1,990	2,030	2,030	2,180	2,017	2,125	2,287	2,578	2,704	2,432	#N/A
(percent change)	-2.0	0.0	-6.9	-3.5				-4.7	7.2		
West	960	870	910	1,010	913	995	1,120	1,353	1,616	1,443	#N/A
(percent change)	10.3	-4.4	-9.9	-9.8				-16.2	3.2		
Inventory (thousands)	4,399	4,383	4,561	4,368	4,448	4,385	4,048	3,450	2,846	2,590	#N/A
(percent change)	0.4	-3.9	4.4	-0.2							
(year-on-year percent change)	16.3	14.0	18.1	16.9				21.2	26.8		
Months' Supply	10.3	10.7	10.4	9.6	10.5	9.9	8.7	6.4	4.8	4.8	#N/A
Median Sales Price (\$000)	210.2	206.9	210.4	224.4	209.2	218.3	218.0	222.0	218.2	194.9	#N/A
(year-on-year percent change)	-3.3	-5.5	-4.8	0.2				1.7	12.9		
Average Sales Price (\$000)	256.8	255.3	257.1	269.3	256.4	265.2	265.0	268.3	265.3	240.0	#N/A
(year-on-year percent change)	-3.1	-3.5	-3.5	-0.3				1.2	9.8		

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