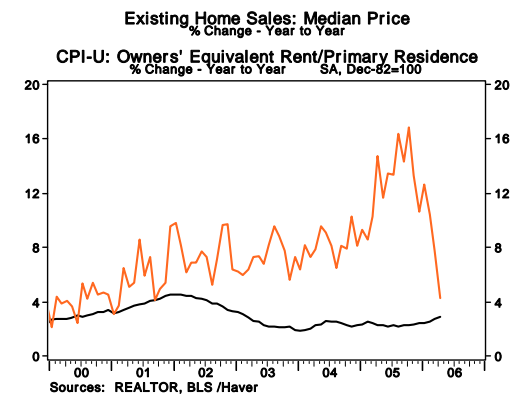
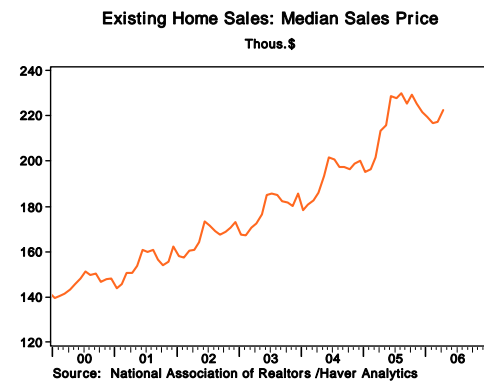
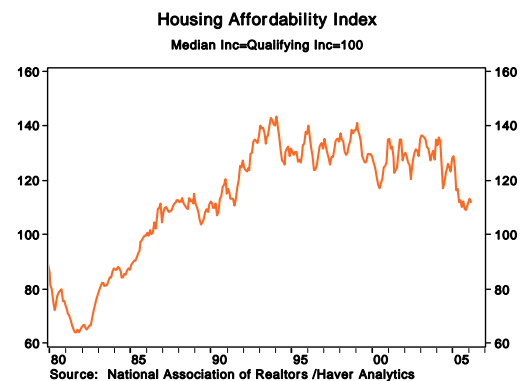
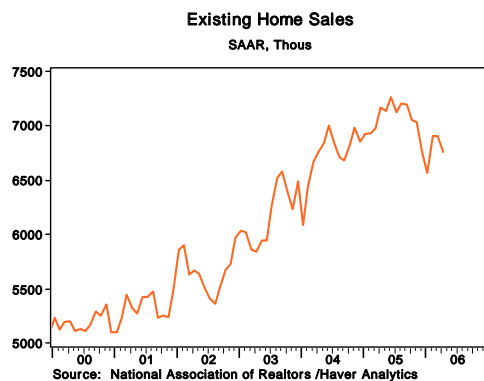


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APRIL EXISTING HOME SALES

- Existing home sales fell 2.0% in April to 6.76 million units at an annual rate. This was lower than consensus forecasts of 6.79 million. Existing home sales are down 5.7% in the past 12 months.
- The median sales price of an existing home was \$223,000 in April, 4.2% higher than a year ago. This is the slowest YOY gain in the median price of an existing home in over five years.

Implications: Housing activity has pulled back from its record setting pace in 2005, but remains at a historically strong level. Existing home sales averaged 6.78 million during the first four months of 2006, lower than the 7.0 million average during the first third of 2005 but higher than any other year on record. Even if housing market activity continues to cool, low tax rates and rising productivity will continue to lift economic activity. Investors and the Fed would be wise to ignore pessimistic forecasts of a “pop” in the housing market and focus on the strong long-term fundamentals of the economy. Separately, initial claims for unemployment benefits fell 40,000 to 329,000 last week, reversing much of the bulge caused by temporary high filings in Puerto Rico. The four-week moving average for initial claims rose to 337,000 last week. We expect claims data to fall back to the 300,000 level in the weeks ahead as the temporary bulge fades away. The employment market remains strong and should continue to support consumer spending in the coming year.



Existing Home Sales <i>all data seasonally adjusted unless noted, thous.</i>	Apr-06		Mar-06	Feb-06	3-month moving avg.	6-month moving avg.	Yr over yr % ch.
	% Ch.	level					
Existing Single Family Home Sales	-2.0%	6760	6900	6900	6830	6818	-5.7
Northeast	-0.8%	1180	1190	1170	1185	1123	-2.5
Midwest	-3.7%	1570	1630	1610	1600	1563	-3.1
South	-1.9%	2610	2660	2690	2635	2692	-3.7
West	-1.4%	1410	1430	1440	1420	1445	-13.0
Median Sales Price (NSA)	2.3%	223.0	218.0	218.0	220.5	221.0	4.2

Source: Nat'l Association of Realtors