Data Watch

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JAN EXISTING HOME SALES

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- Existing home sales increased 3.0% in January to an annual rate of 6.46 million, much better than the consensus expected level of 6.24 million.
- Sales increased in the South, Midwest, and West, but were flat in the Northeast. By type of home, single-family home sales accounted for all the gain; condo/coop sales dropped slightly.
- The median price of an existing home fell to \$210,600 in January, down 2.8% versus a year ago and the lowest level since April 2005.
- Driven by declining inventories of condos/coops, the months' supply of new homes (how many months it would take to clear the inventory of unsold existing homes at the current sales rate) remained at 6.6 the lowest level since May 2006.

Implications: Although existing home sales reached the highest level in seven months, today's report does not signal the end of the housing correction. The 2.8% drop in existing home prices versus last January suggests home buyers are still tentative. In other data out today on housing, the monthly Case-Shiller price index for home sales dropped 0.8%, the largest one-month decline since 1991. That said, the drop in the months' supply of existing homes suggests housing will become less of a drag on

real economic growth over the course of 2007. In other news today, the share of consumers saying jobs are "hard to get" fell to 17.5%, the lowest since 2001 and less than half the 35.1% peak hit in September 2003, a sign that the labor market will continue to strengthen in the months ahead.

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National Association of Realtors /Haver

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Existing Home Sales	Jan-07		Dec-06	Nov-06	3-month	6-month	Yr to Yr
Seasonally Adjusted Unless Noted, Levels in Thous.	% Ch.	level			moving avg.	moving avg.	% Change
Existing Home Sales	3.0%	6460	6270	6250	6327	6298	-4.3
Northeast	0.0%	1070	1070	1080	1073	1058	5.9
Midwest	4.8%	1530	1460	1420	1470	1447	-0.6
South	2.0%	2540	2490	2470	2500	2510	-7.3
West	5.6%	1320	1250	1280	1283	1283	-9.6
Median Sales Price (\$, NSA)	-5.0%	211	222	217	217	219	-2.8

Source: National Association of Realtors

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