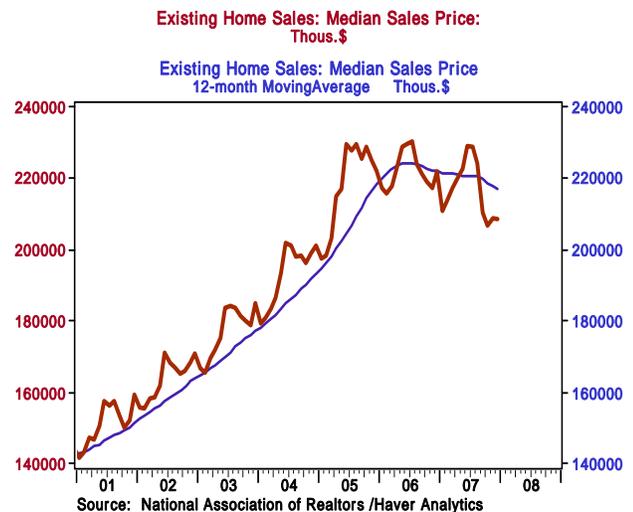


DECEMBER EXISTING HOME SALES

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- Existing home sales declined 2.2% in December to an annual rate of 4.89 million, below the consensus expected level of 4.95 million. Existing home sales are down 22.0% versus a year ago.
- Sales were down slightly in all major regions in December. By type of home, sales were down for both single-family homes and condos/coops.
- The median price of an existing home ticked down to \$208,400 in December (not seasonally adjusted) and is down 6.0% versus a year ago. Single-family home prices are down 6.5% versus last year, the largest calendar-year decline on record (going back to the late 1960s).
- The months' supply of existing homes (at the current sales rate) declined to 9.6 in December. The months' supply had been as high as 10.7 in October. The months' supply of single-family homes declined to 9.2 in December.

Implications: Existing home sales are still heading down and so are home prices. However, the inventory of existing homes for sale is declining, suggesting the housing market is starting the long road back to equilibrium. The number of single-family existing homes on the market in December was 3.32 million, down 510,000 from the cycle peak in July. In other news this morning, new claims for unemployment insurance came in at a 301,000 last week, the lowest level since September. The four-week moving average of new claims is now 314,750, nowhere near recessionary levels. Continuing claims for jobless benefits fell 75,000 to 2.672 million, the lowest in five weeks. These figures suggest payrolls increased by about 95,000 in January (data to be released February 1).



Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Dec-07		Nov-07	Oct-07	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	-2.2%	4890	5000	4980	4957	5188	-22.0
Northeast	-4.6%	830	870	900	867	920	-22.4
Midwest	-1.7%	1160	1180	1180	1173	1225	-20.5
South	-1.0%	1970	1990	2030	1997	2077	-20.9
West	-2.1%	940	960	870	923	968	-24.8
Median Sales Price (\$, NSA)	-0.1%	208400	208700	206900	208000	214583	-6.0

Source: National Association of Realtors