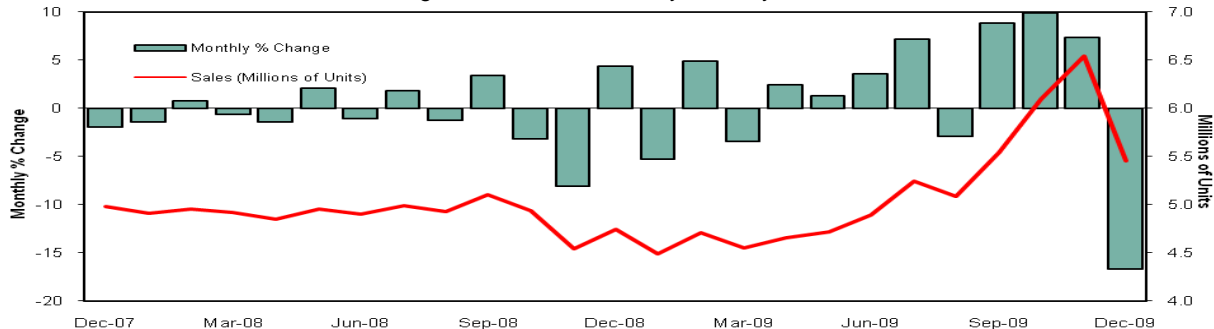


SALES SWOON, INVENTORIES DROP, PRICES RISE

Existing Home Sales – Monday January 25, 2010



Record High: 7.25 mln (09/05)

Percent Change from Record High: -24.8%

Existing home sales plunged a record 16.7% in December to an annualized pace of 5.45 million. The large decline followed several months of strong sales gains that were primarily driven by the first time homebuyer tax credit which was originally slated to expire on November 30. The tax credit has since been extended and expanded but not before impacting sales immediately afterward in December. Despite the sharp decline in December, total sales are still 15.0% above their year ago level. For all of 2009, sales increased over 5% from 2008, their first annual gain since 2005. Regionally, sales fell sharply in most areas of the U.S. The inventory of homes available for sale dropped 6.6% to 3.289 million which represents a 7.2 month supply on the market at the current sales pace. The month's supply is much lower for low-priced homes and much higher for higher-end homes; there also appears to be a large shadow inventory of homes related to distress situations. Nevertheless, inventories are approaching more normal levels. Home prices increased over the last year with median prices up 1.5% to \$178,300 and average prices gaining 3.6% to \$225,400. These are only the second year-over-year price gains in the last 41 months indicating a possible turning point in the market. Hopefully, the sales blip will be confined to a single month and that the reinstallation of the tax credit for homebuyers will result in stronger demand going forward.

MILLIONS OF UNITS

Forecast:	6.00 min
Consensus*:	6.00 min
Actual:	5.45 min

	Monthly Changes				Average Changes for						
	Dec-09	Nov-09	Oct-09	Sep-09	Three Month	Six Month	Twelve Month	2008	2007	Five Year	Ten Year

Existing Home Sales (millions)	5.45	6.54	6.09	5.54	6.03	5.66	5.16	4.89	5.67	6.18	5.84
(percent change)	-16.7	7.4	9.9	8.8							
(year-on-year percent change)	15.0	44.1	23.3	8.6				-13.8	-12.9		

Northeast	910	1,130	1,060	950	1,033	982	863	1,010	1,093	1,079	#N/A
(percent change)	-19.5	6.6	11.6	4.4				-7.6	-6.4		
Midwest	1,150	1,550	1,430	1,250	1,377	1,290	1,168	1,331	1,494	1,484	#N/A
(percent change)	-25.8	8.4	14.4	9.6				-10.9	-6.0		
South	2,010	2,400	2,280	2,040	2,230	2,095	1,913	2,243	2,577	2,466	#N/A
(percent change)	-16.3	5.3	11.8	7.9				-13.0	-4.7		
West	1,380	1,450	1,320	1,290	1,383	1,287	1,216	1,095	1,357	1,408	#N/A
(percent change)	-4.8	9.8	2.3	12.2				-19.3	-16.1		

Inventory (thousands)	3,289	3,521	3,565	3,710	3,458	3,679	3,727	3,974	3,450	2,957	#N/A
(percent change)	-6.6	-1.2	-3.9	-5.5							
(year-on-year percent change)	-11.1	-15.4	-15.1	-13.2				15.2	21.2		
Months' Supply	7.2	6.5	7.0	8.0	6.9	7.9	8.8	9.7	7.3	6.0	#N/A

Median Sales Price (\$000)	178.3	170.0	172.2	176.0	173.5	175.9	173.5	197.2	216.6	209.5	#N/A
(year-on-year percent change)	1.5	-5.7	-7.6	-7.9				-9.0	-2.4		

Average Sales Price (\$000)	225.4	211.8	217.3	221.9	218.2	221.0	217.4	263.7	268.3	251.8	#N/A
(year-on-year percent change)	3.6	-5.0	-5.4	-5.6				-1.7	1.2		

Source: Bureau of the Census, Department of Commerce Via Haver Analytics. Data, graph & table courtesy of Insight Economics *Bloomberg
 © 2010 HousingMatrix, Inc. <http://www.HousingMatrix.com> All rights reserved. Reproduction and/or redistribution are expressly prohibited.
 Hot Sheet is a registered trademark of HousingMatrix, Inc. Information contained herein is based on sources we believe to be reliable, but accuracy is not guaranteed.