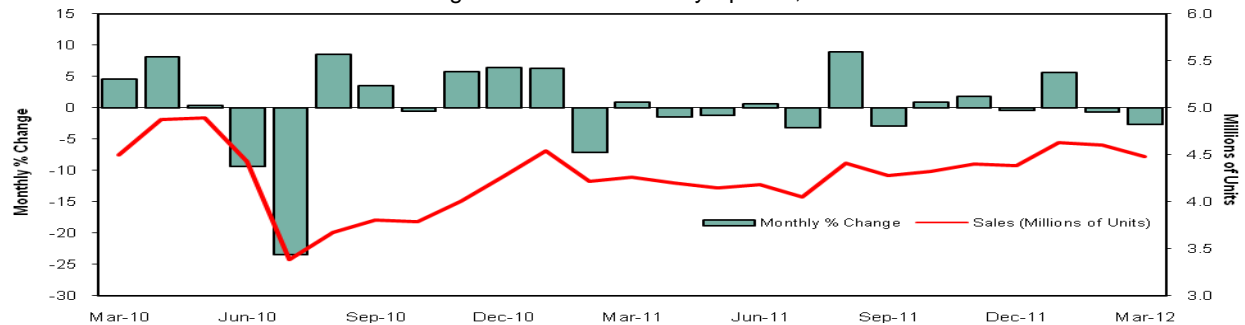


SALES DECLINE, INVENTORIES DOWN, PRICES GAIN

Existing Home Sales Thursday April 19, 2012



Record High: 7.25 M (09/05)

Percent Change from Record High: -38.2%

Existing home sales which include single-family, townhomes, condos and co-ops fell 2.6% in March to an annual rate of 4.48 million compared to market expectations for a small increase to rate of 4.60 million. Distressed sales accounted for 29% of total sales last month, down from 34%; all cash sales dipped to 32% from 33%; first-time buyers made up 33% of sales, up from 32% while investors comprised 21% of total transactions. Existing home sales are now 5.2% above their year ago level suggesting a mild upward trend is in place. Regionally, sales fell in the West, Northeast and South and were unchanged in the Midwest. The inventory of homes available for sale fell 1.3% last month to 2.37 million which represents a 6.3 month-supply at the current sales pace. Anecdotal evidence suggests that there is a large shadow inventory of homes available for sale, especially bank owned properties. That will continue to weigh on prices going forward. However, home prices rose in March from a year ago with the median price for an existing home up 2.5% to \$163,800 as average prices increased 2.0% to \$211,400. Job growth and record high affordability is lifting demand, though in some areas tight supplies of homes at certain price points is constraining sales. Economists expect home resales to continue rising slowly from a very deep bottom in the months ahead with the potential of a stronger price and sales recovery later this year.

MILLIONS OF UNITS

| | |
|----------------|---------------|
| Forecast: | 4.65 M |
| Consensus*: | 4.60 M |
| Actual: | 4.48 M |

| | Monthly Changes | | | | Average Changes for | | | | | | |
|--|-----------------|--------|--------|--------|---------------------|-----------|--------------|------|------|-----------|----------|
| | Mar-12 | Feb-12 | Jan-12 | Dec-11 | Three Month | Six Month | Twelve Month | 2011 | 2010 | Five Year | Ten Year |

| | | | | | | | | | | | |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Existing Home Sales (millions) | 4.48 | 4.60 | 4.63 | 4.38 | 4.57 | 4.47 | 4.34 | 4.28 | 4.18 | 4.39 | 5.41 |
| (percent change) | -2.6 | -0.6 | 5.7 | -0.5 | | | | | | | |
| (year-on-year percent change) | 5.2 | 9.0 | 2.0 | 2.6 | | | | 2.4 | -3.4 | | |

| | | | | | | | | | | | |
|------------------------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Northeast (thousands) | 580 | 590 | 600 | 580 | 590 | 567 | 553 | 580 | 573 | 826 | 903 |
| (percent change) | -1.7 | -1.7 | 3.4 | 7.4 | | | | 1.2 | -19.7 | | |
| Midwest (thousands) | 1,020 | 1,020 | 1,010 | 970 | 1,017 | 990 | 947 | 975 | 953 | 1,240 | 1,306 |
| (percent change) | 0.0 | 1.0 | 4.1 | -1.0 | | | | 2.4 | -20.0 | | |
| South (thousands) | 1,750 | 1,770 | 1,760 | 1,700 | 1,760 | 1,742 | 1,703 | 1,640 | 1,596 | 2,116 | 2,129 |
| (percent change) | -1.1 | 0.6 | 3.5 | -2.3 | | | | 2.8 | -22.7 | | |
| West (thousands) | 1,130 | 1,220 | 1,260 | 1,130 | 1,203 | 1,170 | 1,138 | 1,134 | 984 | 1,233 | 1,277 |
| (percent change) | -7.4 | -3.2 | 11.5 | -0.9 | | | | 15.2 | -8.1 | | |

| | | | | | | | | | | | |
|-------------------------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Inventory (thousands) | 2,370 | 2,400 | 2,330 | 2,320 | 2,367 | 2,463 | 2,778 | 2,321 | 3,019 | 2,946 | 2,768 |
| (percent change) | -1.3 | 3.0 | 0.4 | -11.5 | | | | | | | |
| (year-on-year percent change) | -21.8 | -20.3 | -19.9 | -23.2 | | | | -23.1 | 10.1 | | |
| Months' Supply | 6.3 | 6.3 | 6.0 | 6.4 | 6.2 | 6.6 | 7.7 | 6.5 | 8.7 | 8.1 | 6.4 |

| | | | | | | | | | | | |
|-----------------------------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Median Sales Price (\$000) | 163.8 | 155.6 | 154.6 | 162.2 | 158.0 | 160.2 | 164.6 | 164.5 | 172.4 | 184.7 | 189.8 |
| (year-on-year percent change) | 2.5 | -0.3 | -2.1 | -3.9 | | | | -4.6 | -0.2 | | |

| | | | | | | | | | | | |
|------------------------------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Average Sales Price (\$000) | 211.4 | 201.6 | 200.9 | 209.5 | 204.6 | 206.6 | 212.2 | 212.3 | 219.5 | 230.1 | 235.1 |
| (year-on-year percent change) | 2.0 | -0.3 | -2.4 | -3.9 | | | | -3.3 | 1.2 | | |

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