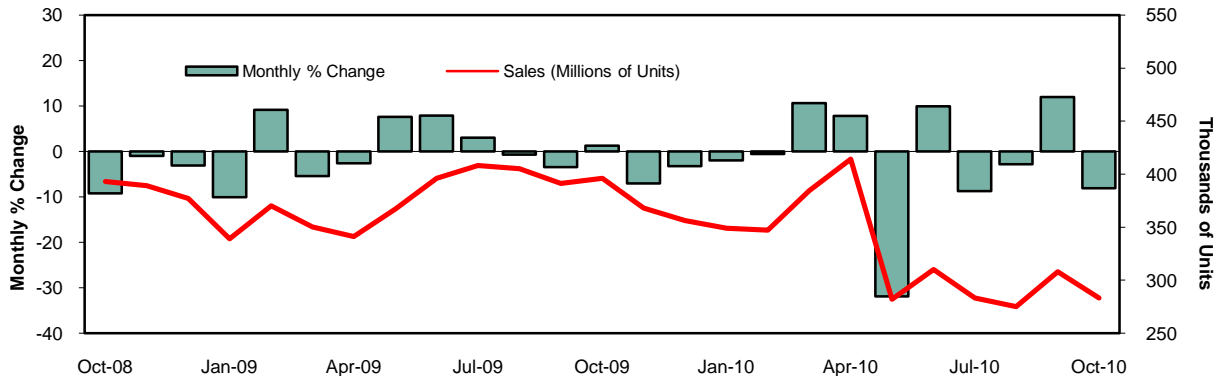


SECOND LOWEST LEVEL ON RECORD

New Home Sales – Wednesday November 24, 2010



Record High: 1389k (07/05) Percent Change from Record High: -79.6%

New home sales dropped 8.1% in October to an annualized pace of 283,000, much weaker than expectations for an annual rate of 315,000. Moreover, October new home sales are the second lowest on record since data collection began in 1963. Sales during the first four months of the year averaged 374,000 a month but in the six months following, sales have only averaged 290k a month. New home sales are now 28.5% below their year ago level. The inventory of new homes for sale was fairly constant at 202k but because of the weakened pace of sales, the month's supply increased to 8.6 from 7.9 in September. Home prices dropped sharply in October with the median price for a new home down 9.4% over the past year to \$194,900; average prices fell 5.9% to \$248,200. New home sales are still bouncing around the bottom absent any significant demand drivers such as job and income growth. It will probably take another year at least, after the bulk of distressed properties have worked through the market before construction of new homes ramps up and demand is sufficient enough to sustain a more normal pace of sales.

THOUSANDS OF UNITS

	Monthly				Average for						
	Oct-10	Sep-10	Aug-10	Jul-10	Three Month	Six Month	Twelve Month	2009	2008	Five Year	Ten Year
Forecast:	300k										
Consensus*:	315k										
Actual:	283k										
New Home Sales	283	308	275	283	289	290	330	374	482	791	901
(percent change)	-8.1	12.0	-2.8	-8.7				-22.5	-37.3		
Northeast	29	33	28	30	30	30	33	32	35	55	64
(percent change)	-12.1	17.9	-6.7	-11.8				-10.8	-44.9		
Midwest	39	49	32	43	40	41	49	54	69	121	151
(percent change)	-20.4	53.1	-25.6	-6.5				-21.7	-41.2		
South	164	159	150	166	158	161	176	201	265	414	444
(percent change)	3.1	6.0	-9.6	-4.6				-24.1	-35.2		
West	51	67	65	44	61	58	73	87	113	200	241
(percent change)	-23.9	3.1	47.7	-21.4				-22.7	-36.6		
Inventory	202	203	207	210	204	208	219	231	353	426	387
Months of Supply	8.6	7.9	9.0	8.9	8.5	8.6	8.1	9.0	10.7	7.8	5.9
Median Sales Price (\$000)	194.9	226.3	223.2	212.1	214.8	217.8	218.4	214.5	230.4	233.2	209.9
(year-on-year % change)	-9.4	4.5	7.8	-1.0	0.9	1.3	1.4	-6.9	-5.5		
Average Sales Price (\$000)	248.2	269.7	265.3	252.1	261.1	262.2	268.9	268.2	288.9	291.9	261.5
(year-on-year % change)	-5.9	-7.1	2.9	-7.0	-3.5	-3.6	0.2	-7.2	-6.4		

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 believed to be reliable, but accuracy is not guaranteed.