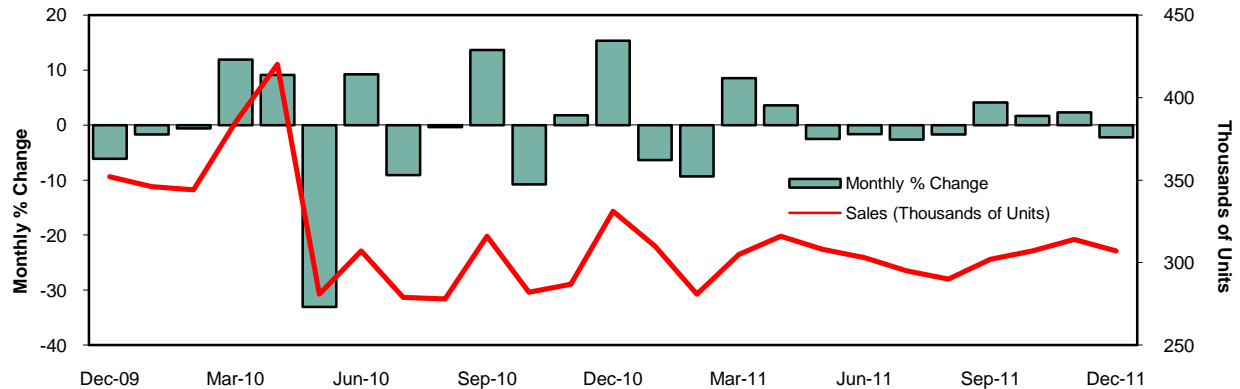


2011 WEAKEST ON RECORD New Home Sales – Thursday January 26, 2011



Record High: 1389k (07/05) Percent Change from Record High: -77.9%

New home sales rose fell 2.2% in December to an annual rate of 307k, compared to market expectations for a small gain to a rate of 320k. New home sales are counted when the sales contract is signed so these data reflect current sales activity. New home sales are 7.3% below their year ago level and remain a stunning 77.3% below their peak level reached in July 2005. At just over a 300k annual rate, new home sales for 2011 were the weakest on record dating back to 1963. Regionally, sales were mixed with a solid gain in the West, a large surge in the Northeast and declines in both the South and the Midwest. The inventory of new homes available for sale fell 0.1% last month to a record low level of 157k which represents a 6.1 month-supply at the current sale pace. Home prices in December were lower than in December of last year with the median price for a new home down 12.8% to \$210,300 as average prices dropped 8.8% to \$266,000. New home prices are hovering around their lowest levels since late 2003. New home sales, like other housing market indicators, are fairly stable at a weak level. We saw signs of life in homebuilder sentiment and new construction in the final months of 2011 along with stronger job creation and economic growth which provides some hope for new home sales to gain traction and move up from historically low levels in the New Year.

THOUSANDS OF UNITS

Forecast:	320k
Consensus*:	320k
Actual:	307k

Monthly				Average for							
				Three	Six	Twelve			Five	Ten	
Dec-11	Nov-11	Oct-11	Sep-11	Month	Month	Month	2010	2009	Year	Year	

New Home Sales	307	314	307	302	309	303	303	321	374	599	845
(percent change)	-2.2	2.3	1.7	4.1				-14.1	-22.4		

Northeast	22	15	18	19	18	20	21	31	31	45	60
(percent change)	46.7	-16.7	-5.3	-17.4				-2.7	-11.1		
Midwest	52	54	51	47	52	50	45	45	54	89	140
(percent change)	-3.7	5.9	8.5	-2.1				-17.7	-21.8		
South	160	178	155	170	164	164	167	173	202	321	421
(percent change)	-10.1	14.8	-8.8	9.0				-14.5	-23.8		
West	73	67	83	66	74	69	70	74	87	143	224
(percent change)	9.0	-19.3	25.8	4.8				-15.3	-22.9		

Inventory	157	158	160	161	158	161	168	190	234	362	376
Months of Supply	6.1	6.0	6.3	6.4	6.1	6.4	6.7	8.0	9.0	8.5	6.3

Median Sales Price (\$000)	210.3	215.7	221.1	217.0	215.7	218.9	223.4	221.2	214.5	230.6	215.4
(year-on-year % change)	-12.8	-1.8	8.3	-4.8	-2.7	-1.4	1.0	3.1	-6.9		

Average Sales Price (\$000)	266.0	250.3	253.7	255.4	256.7	259.2	263.3	271.5	268.2	288.2	268.2
(year-on-year % change)	-8.8	-11.1	-0.3	-5.7	-7.0	-4.0	-3.0	1.2	-7.2		

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