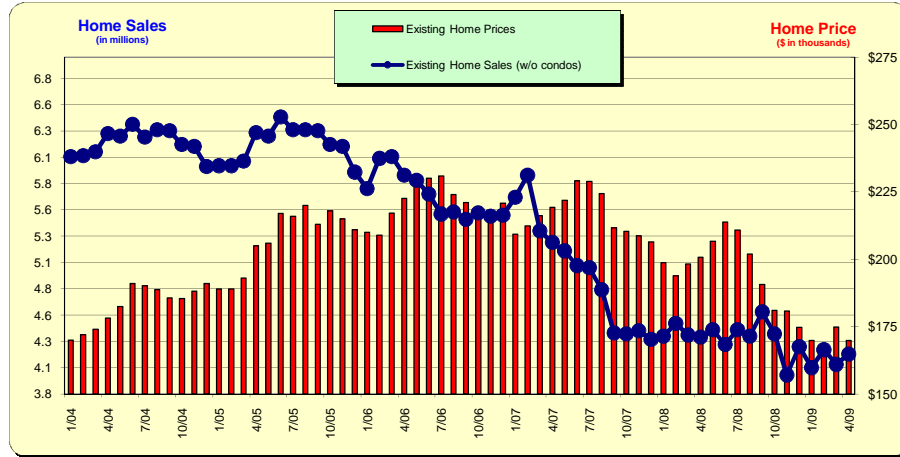


The Housing Market

Existing home sales typically out number new home sales 5 to 1. April's existing home sales were up from 4.08 to 4.18 million while prices decreased from \$174,900 to \$169,800. April's sales were dominated by first time home buyers and REO sales which caused the decline in prices. *April's existing home pending sales index increased from 84.6 to 90.3*. The number of homes for sale rose and it would take about 10 months to sell all the existing homes for sale.

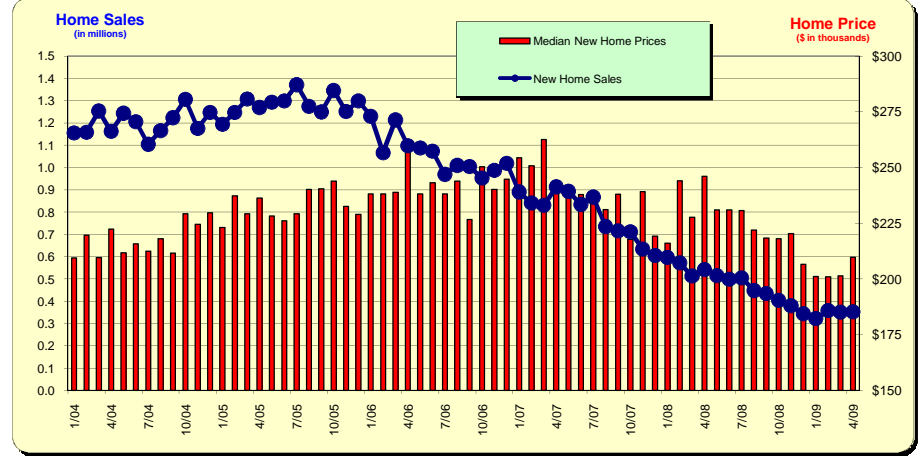
Single Family Starts increased slightly from March's 358,000 to 368,000 (about 1 million starts are needed to meet demographic demand). *SFR completions were 549,000. With fewer starts than completions, construction employment does not look positive especially for specialized trades in the immediate future. Months of inventory decreased again and is 10.1 months.* The Fed's decrease of mortgage rates and the \$8,000 tax credit for new home buyers were implemented in March and April new home sales increased from 351,000 to 352,000.

Existing Home Sales and Prices



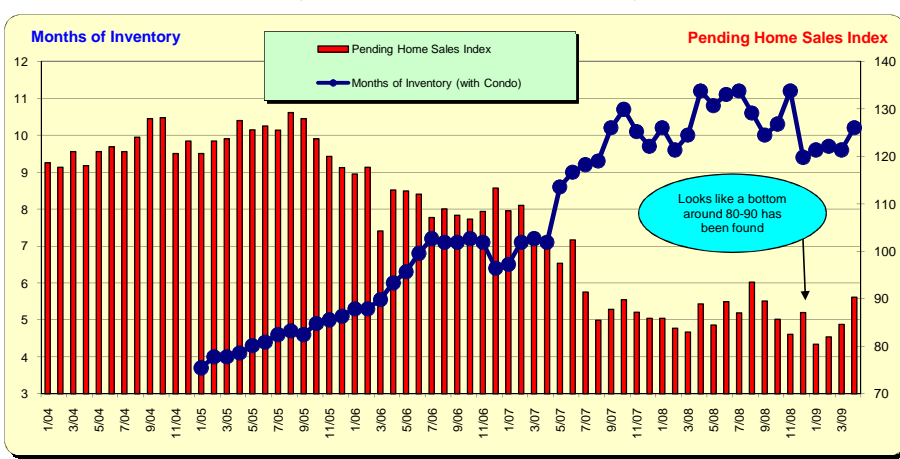
Next Date: Sales Jun-23 Prices Jun-23 National Association of Home Builders (NAHB)

New Home Sales and Prices



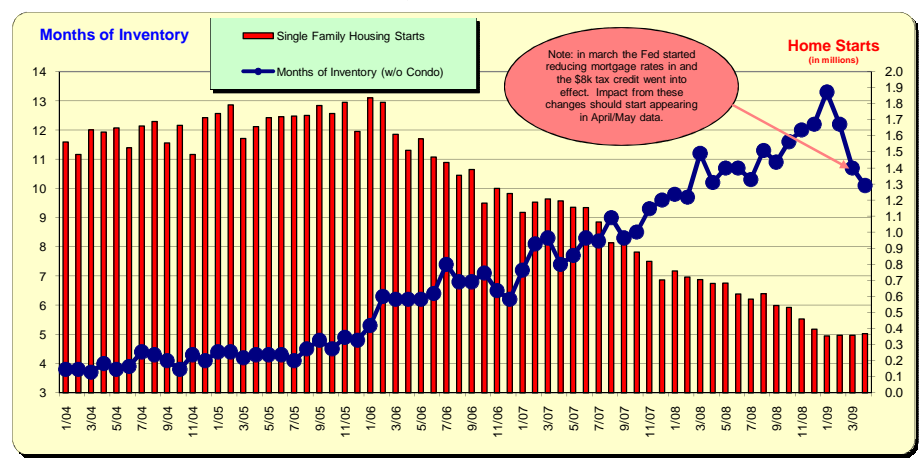
Next Date: Sales Jun-24 Prices Jun-24 National Association of Home Builders (NAHB)

Existing Homes Supply For Sale and Pending Sale Index



Next Date: Pending Jul-1 Inventory Jun-23 National Association of Realtors

New Homes Supply For Sale and New Home Starts



Next Date: Starts Jun-16 Inventory Jun-24 National Association of Realtors & NAHB