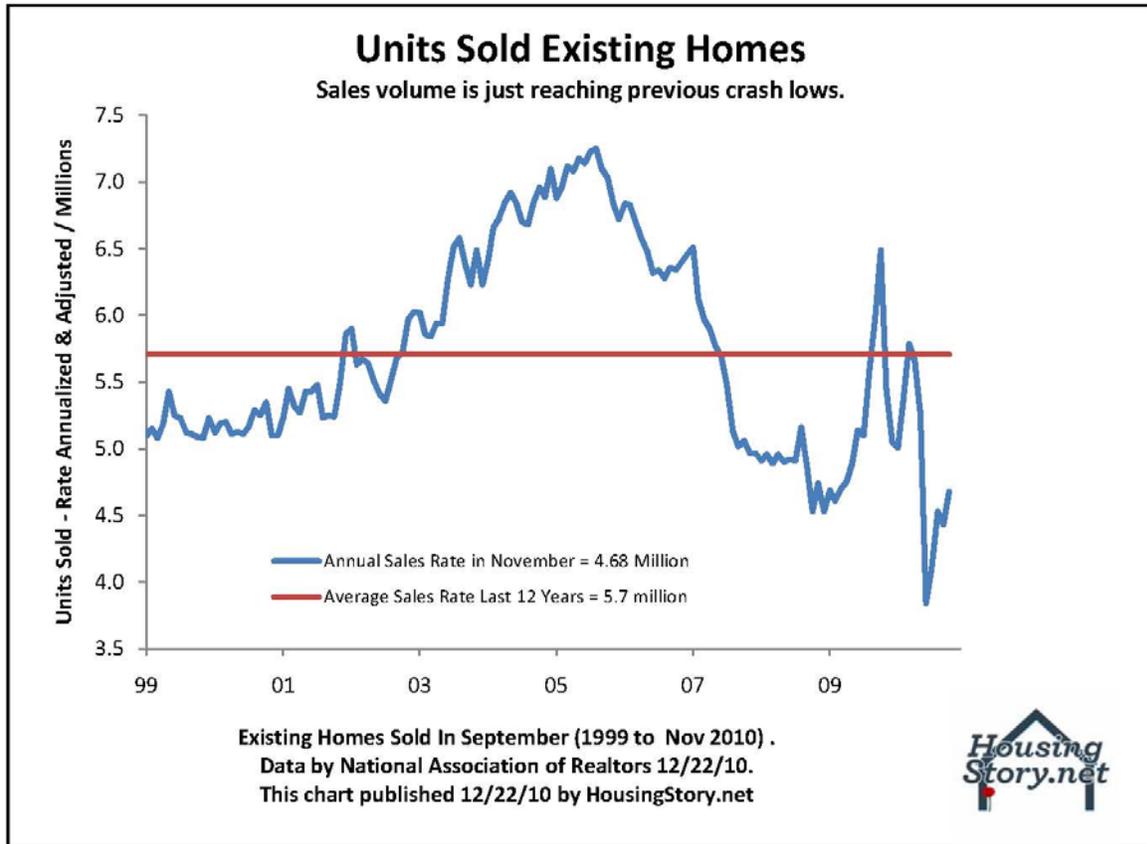


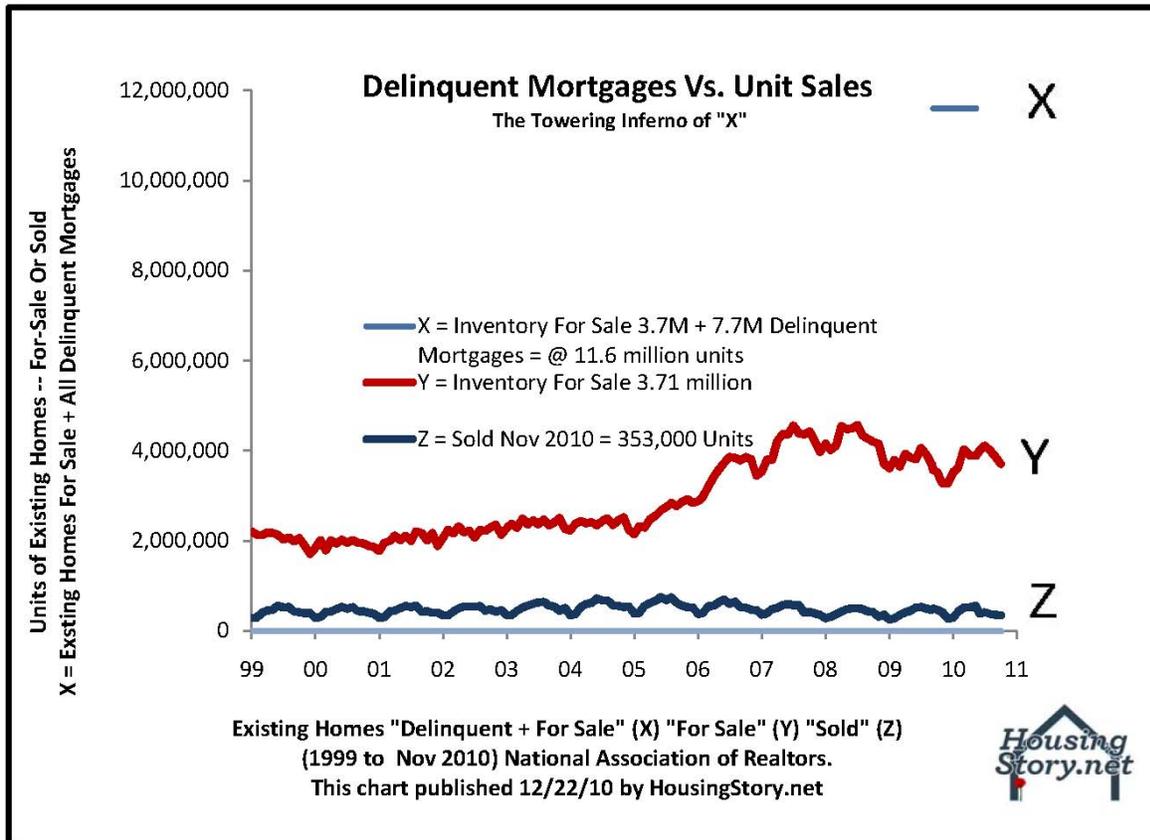
Sales moved barely above the worst crash readings in November as the last five months have all registered in the Top 10 of demand weakness.

The acid test of price, closed sales in units, here measured at an annualized-and-adjusted rate, clocked in at 4.68 million units/year in November according to the National Association of Realtors. This sales pace is just 150,000 units/year above the worst crash reading for all of 12 years of data — prior to July 2010 when demand died and went away for the winter (Please see chart below of unit sales and note we are worse off than the 2008 crash.).



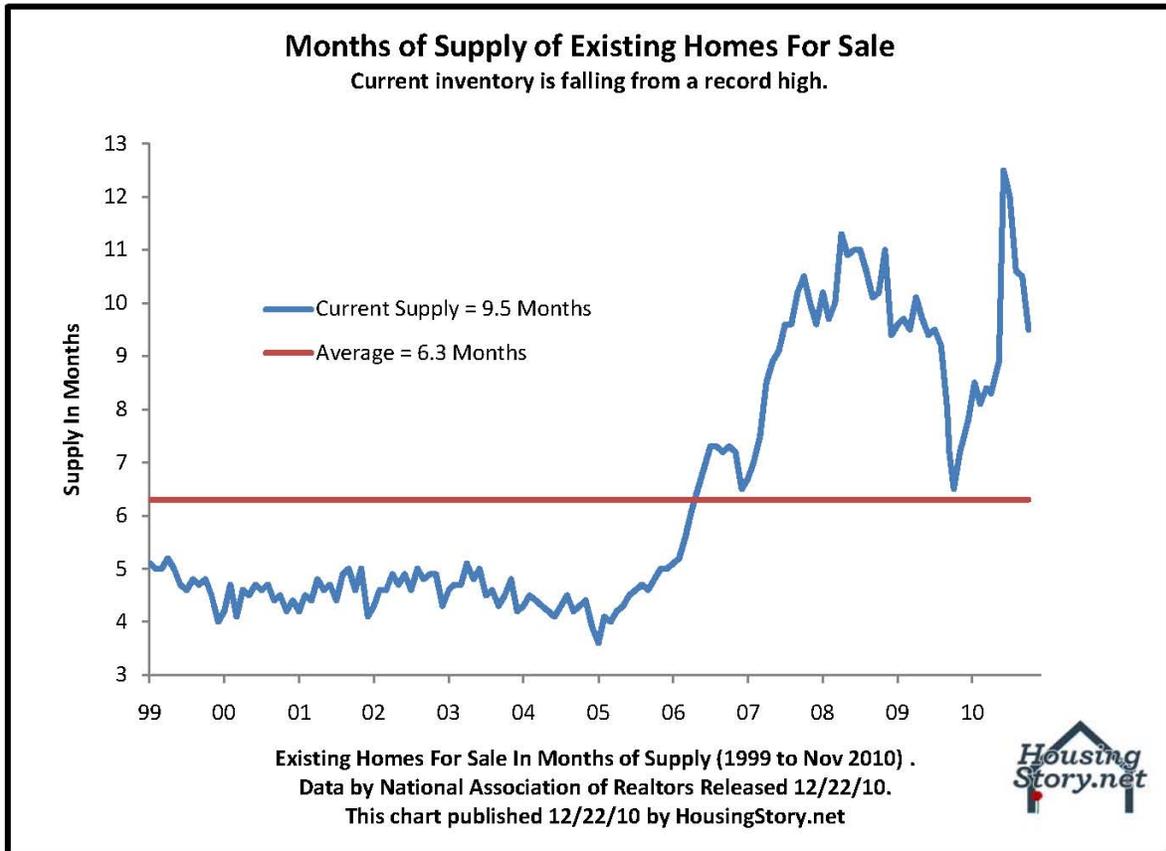
November sales are at number eight of 143 observations or in the bottom six percent of all readings.

Informed investors are also locking in on the massive gap between delinquent mortgages and monthly sales (See chart below of units sales compared to delinquent mortgage units.) -- with delinquent units at 13.78 percent of all mortgages outstanding and equal to an unbelievable SIXTEEN times average monthly sales.



Distress is also seen by noting that 33% of sales are distressed; two-thirds of those distressed sales are foreclosures; and 31% of sales are paid with all cash (and no mortgage debt), the classic strategy of time-tested bottom-feeding investors.

Inventory has tightened to 9.5 months which compares to the record high of 12.5 months in July, but it is still far above the average of 6.3 months (Please see months of inventory below.). The median price is \$170,600.

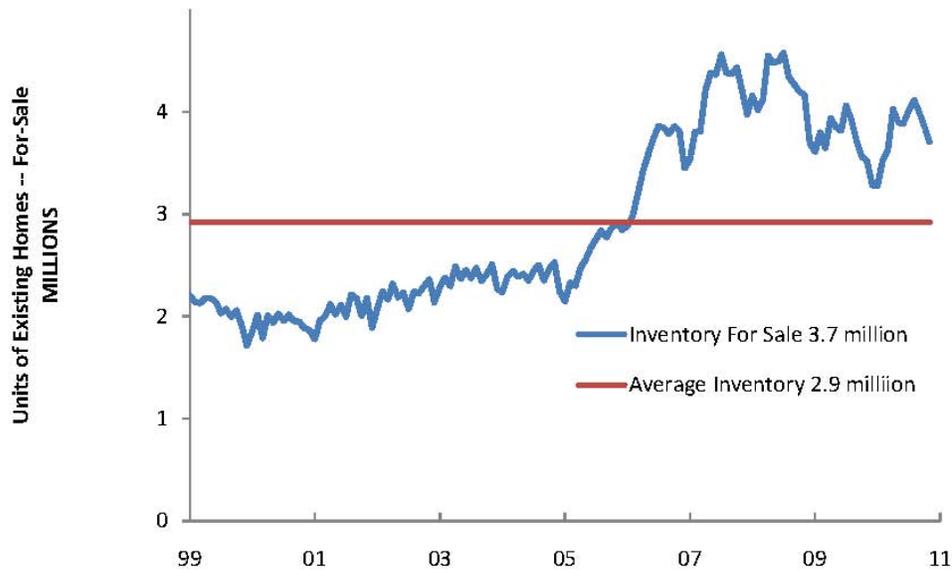


The NAR reports that current affordability is the best, in its opinion, since they started to measure the statistic in 1970. They offer proof by stating that median income of \$62,141 requires only 13.6% of earnings to pay the mortgage. Typical mortgage-qualification criteria allows a much higher debt ratio.

Please see below for other new updated charts on inventory in units, sales in units unadjusted, and sales in units sorted from weakest demand to highest demand.

### Units For Sale

Excess Supply is 780,000 Units of 3.7 Million "For Sale".  
At worst, the market hit 4.5 million units in July 2007.

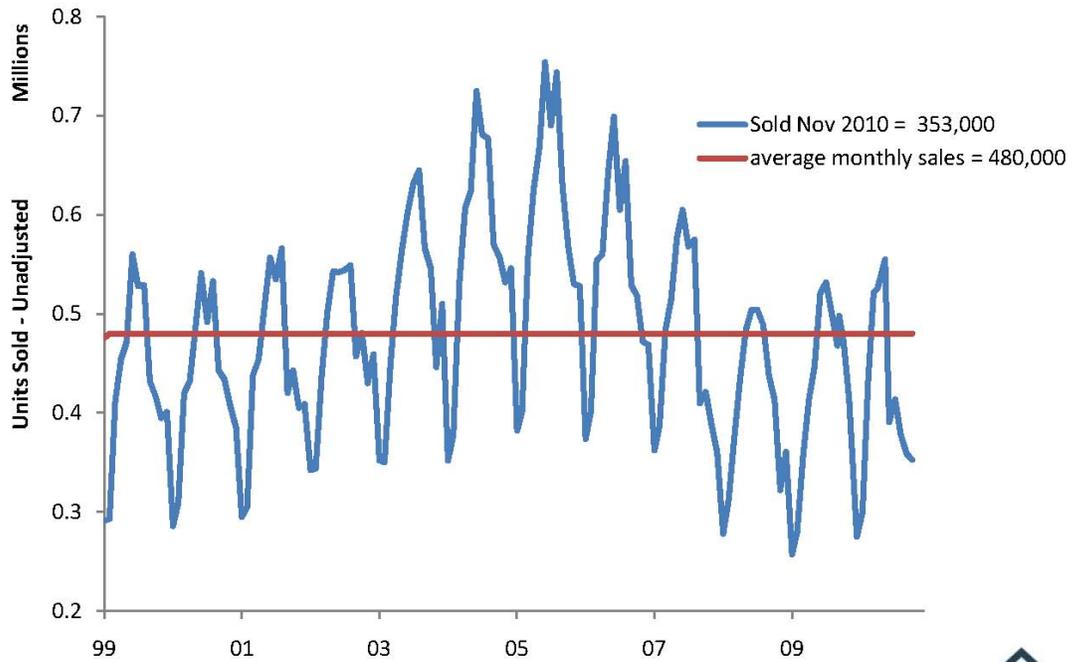


Existing Homes For Sale (1999 to Nov 2010) .  
Data by National Association of Realtors 12/22/10.  
This chart published 12/22/2010 by HousingStory.net



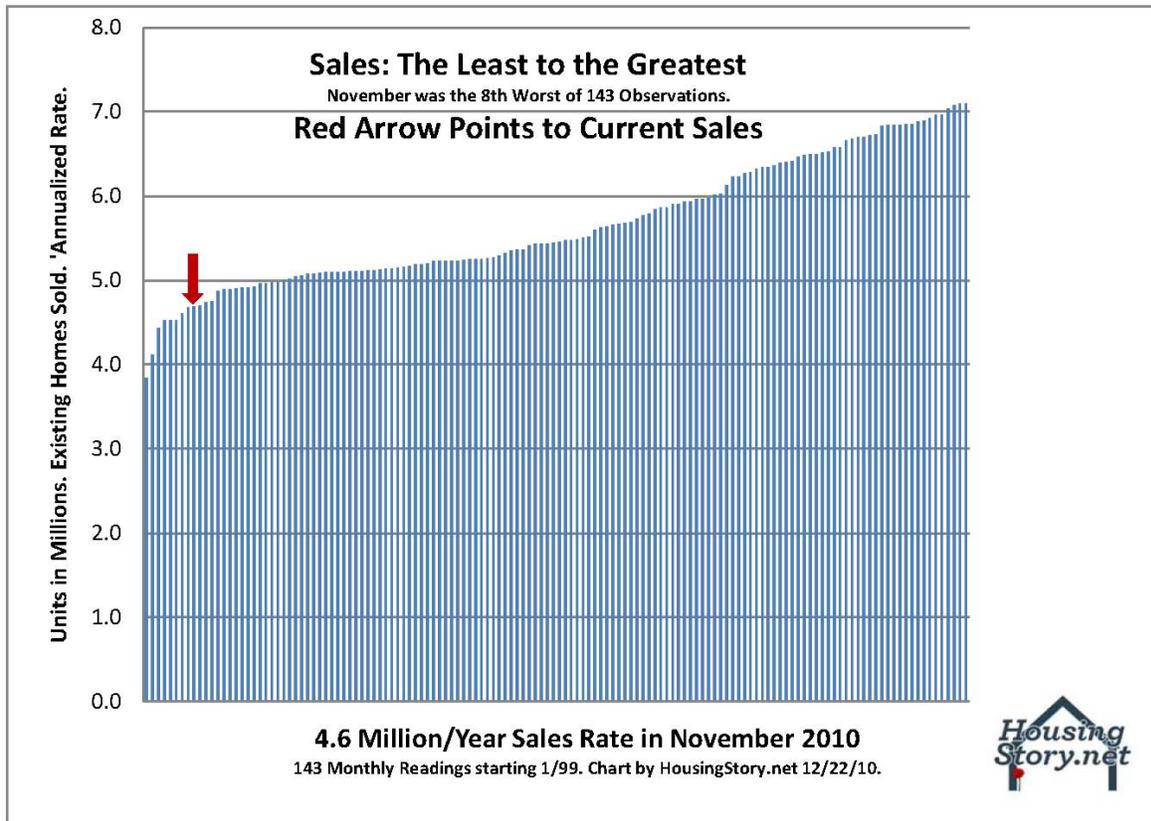
## Units Sold / Month -- Existing Homes

Millions of units. Actual Sales. No Seasonal Adjustment.



Existing Homes Sold In Units Per Month (1999 to Nov 2010) .  
Data by National Association of Realtors 12/22/10.  
This chart published 12/22/10 by HousingStory.net





\*\*\*

For a succinct macro view of the US economy as seen through the prism of residential real estate please click [10 Key Charts to See Before You Buy or Sell Your Home.](#)

[Michael David White originates mortgages in 50 states.](#)