

U.S. New Home Sales — January

Home Sleet Home

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Bucking the recent trend of more encouraging U.S. housing market indicators, **new home sales fell shy of expectations in January**, declining 6.9% to 607,000 annualized. However, this followed an upward revision the prior month to 652,000 (621,000 previously). The decline also paled against the cumulative 18% increase of the prior two months, and leaves the level only moderately below last year's mean (626,000). Sales fell in 3 of 4 major regions, led by a pullback in the Midwest that may, in part, reflect snowstorms. The government shutdown also didn't help. Months' supply edged up to 6.6, still close to long-run norms. Median prices fell 3.8% from a year ago, confirming a slowing trend.



As indicated by recent strength in homebuilders' activity, housing starts and pending sales, demand should pick up in coming months in response to the recent decline in mortgage rates. Residential construction will have a more neutral impact on the economy this year, compared with the persistent dragging effect of last year.

New Home Sales

		Jan	Dec	Nov	(average)	
					3-mo.	12-mo.
Total New Home Sales		607	652	628	629	624
	(m/m % chng)	-6.9	3.8	13.8	46.2 ¹	-4.1 ²
Northeast		31	35	31	32	33
Midwest		50	70	76	65	74
South		342	403	376	374	356
West		184	144	145	158	162
Median Price	(US\$ 000s)	317.2	319.1	306.5	314.3	321.0
Months Supply		6.6	6.3	6.3	6.4	6.1

¹ (3-mnth % chng : a.r.) ² (12-mnth % chng)

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