



April New Home Sales Surge, Rising Over 16%

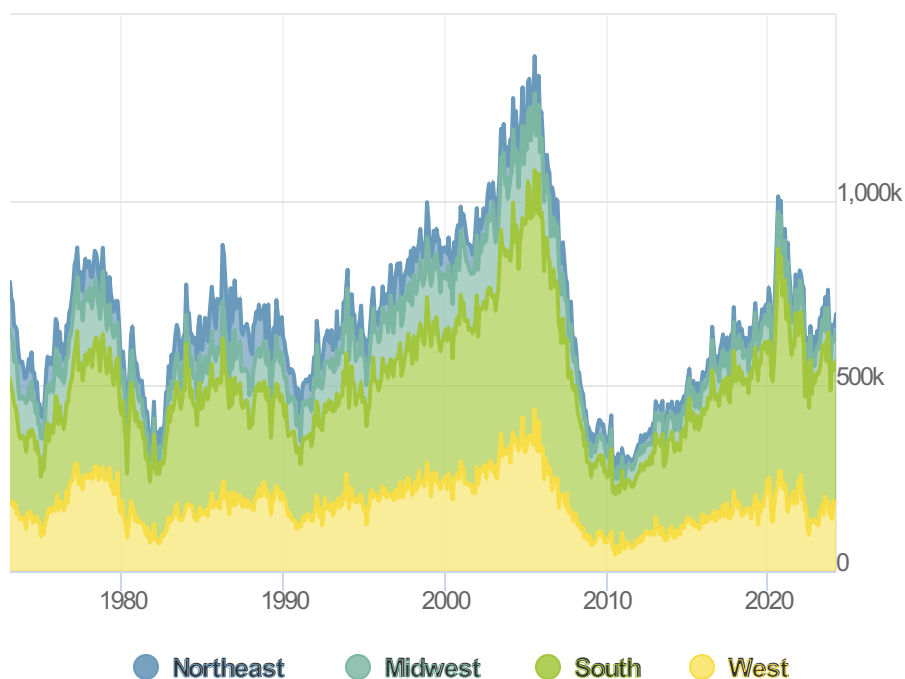
After its pandemic-related plunge in April, the rapid recovery of the Housing Market Index, a measure of builder confidence, seems justified by today's Census Bureau report on new home sales.

For the second month in a row, sales of newly constructed homes outdistanced expectations, **rising by 16.6 percent to a seasonally adjusted annual rate of 676,000 units**. However, **the original April estimate of 623,000 units was revised down drastically to 580,000**. This month's surge did exceed last May's 580,000 unit rate by 12.7 percent, but it **seems that this data is more susceptible to revision in the current environment** than in more normal times.

Sales exceeded the upper limits of analysts predictions, which in the case of those polled by Econoday ranged from 600,000 to 670,000 units. The consensus was a rate of 630,000-units.

On a non-adjusted basis there were 64,000 new homes sold in May compared to 54,000 in April and 56,000 in May 2019. For the first five months of this year sales total 300,000, up 1.9 percent from the 295,000 sold during the same period in 2019.

New Home Sales



The median price of a home sold during the month was \$317,900, up from \$312,700 in May 2019. The average prices for the two periods were \$368,800 and \$379,100, respectively.

At the end of May there were 318,000 new homes available for sale. This is an estimated 5.6-month supply at the current rate of sale. The supply in both April and in May 2019 was estimated to be 6.7-months. The median months on the market increased from 3.4 months to 3.8 months.



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New home sales in the **Northeast** were 45.5 percent higher than in April as well as in May of last year. Sales were down in the **Midwest** month-over-month by 6.4 percent but remained 2.8 percent higher on an annual basis.

The sales rate in the **South** rose 15.2 percent compared to the previous month and maintained a 6.3 percent edge over the prior May. Sales in the **West** jumped by 29.0 percent and 31.0 percent from the two earlier levels.

New Home Prices - Average

