



New Home Sales Still Cooling... Still Stellar

New home sales essentially **fell off a cliff in November**. The U.S. Census Bureau and the Department of Housing and Urban Development said on Wednesday that sales of newly constructed single-family homes, after slowing in September and October declined by 11.0 percent in November.

Sales, on a seasonally adjusted annual basis were at a rate of 841,000 units compared to a revised estimate of 945,000 units in October. That month's sales were originally reported at 999,000 units. Even with three straight monthly losses, year-over-year new home sales are up 20.8 percent.

Sales had been **expected to decline, but not nearly so aggressively**. *Econoday's* analysts had expected a number between 965,000 and 1,015,000 units with a consensus of 989,000. *Trading Economics* was looking for sales of 985,000, a 1.4 percent decline.

On an unadjusted basis there were 59,000 homes sold during the month, down from 76,000 in October. On a year-to-date basis there have been 755,000 newly constructed homes sold compared to 633,000 in the first 11 months of last year. This is an increase of 19.1 percent.

The median price of a home sold in November was \$335,300 compared to \$328,000 in November 2019. The average prices were \$390,100 and \$384,400, respectively.

There were 286,000 new homes for sale at the end of the reporting period, a month-over-month increase of 5,000 units. **This inventory is estimated at a 4.1-month supply, up from 3.6 months in October**. In November of last year, the supply was 5.0 months.

Sales declined in all four regions of the country compared to October and half the regions are now below their year-ago levels. Sales in the Northeast were down 2.5 percent for the month but 18.2 percent ahead of November 2019 sales. November sales plunged by 43.3 percent in the Midwest, putting that region behind last November's pace by 24.4 percent. The South fell by 1.9 percent for the month but is up 30.5 percent on an annual basis. November's sales declined by 17.3 percent for the month in the West but remain 19.8 percent higher year-over-year.



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