



## February New Home Sales Decline Sharply

The **two-month rally in new home sales ended abruptly and definitively** in February. The U.S. Census Bureau and Department of Housing and Urban Development said sales of newly constructed single-family homes dropped by 18.2 percent to a seasonally adjusted annual rate of 775,000 units but remained 8.2 percent higher than sales in February 2020. The January estimate, originally reported at 923,000 annualized units, was revised to 948,000.

February's number was 100,000 below the consensus estimate of analysts polled by Econoday. Their projections ranged from 825,000 to 970,000.

Sales, on a non-adjusted basis, totaled 64,000 homes, down from 73,000 the prior month. Thus far in 2021 there have been 137,000 new homes sold compared to 122,000 by the same point in 2020. The 2020 total was 820,000 homes.

At the end of February there were 312,000 new homes available for purchase, a 4.8 month supply at the current rate of sales. This is a full month's more inventory than in was available in January **but is down from a 5.5 month supply in February 2020.**

The median price of a home sold during the month was \$349,400 and the average was \$416,000. In February 2020, the respective numbers were \$331,800 and \$386,200.

New home sales in the **Northeast** declined 11.6 percent on both a monthly and an annual basis to an annual rate of 38,000 units. The **Midwest's** annual rate of 85,000 units represented a 37.5 percent decrease from January but was ahead of the rate in February 2020 by 4.9 percent.

Sales in the **South** fell 14.7 percent month-over-month, but the 458,000 annual rate remained 20.2 percent higher than a year earlier. The 194,000 annual rate of sales in the **West** was 16.4 percent lower than the prior month and down 8.1 percent year-over-year.



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