



## New Home Sales Recovery Continued in August

Sales of newly constructed homes performed **better than expected in August but remain well behind the pace set in August 2020**. The U.S. Census Bureau and Department of Housing and Urban Development say that sales during the month were at a seasonally adjusted annual rate of 740,000 units. This is 1.5 percent above the 729,000 pace in July, a rate that was revised up by 21,000 units from the initial estimate.

It was the second month that new home sales have increased following dismal sales in May and June with an aggregate loss of more than 100,000 units. The July and August gains still leave annual sales down 24.3 percent from the August 2020 rate of 977,000 units.

Analysts for *Econoday* had expected sales remain at the 708,000 unit rate reported for July. Those polled by *Trading Economics* had **forecasted an 0.5 percent increase to 714,000 units**.

On a non-adjusted basis there were 62,000 newly constructed homes sold in August, down from 64,000 in July. Over the first eight months of 2021 sales have totaled 556,000 units compared to the same period in 2020 where there were 543,000 sales.

The median **price of a new home grew from \$325,500 in August 2020 to \$390,900 last month**. The average price was \$443,200, up from \$386,300 a year earlier.

At the end of the reporting period there were 378,000 new homes available for sale, an estimated 6.1 monthly supply at the current attrition rate. However, only 36,000 of those units are ready for occupancy while 105,000 homes are only in the planning stage.

New home sales in the **Northeast** were up 26.1 percent from the July level but 37.0 percent below the rate a year earlier. The **Midwest** was the only region to post an August decline, 31.1 percent month-over-month which left it 46.9 percent lower on an annual basis.

Sales rose 6.0 percent in the **South** and 1.4 percent in the **West**, but both regions were fell by double digits from their rates in August 2020. The declines were 23.0 percent and 16.3 percent, respectively.



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