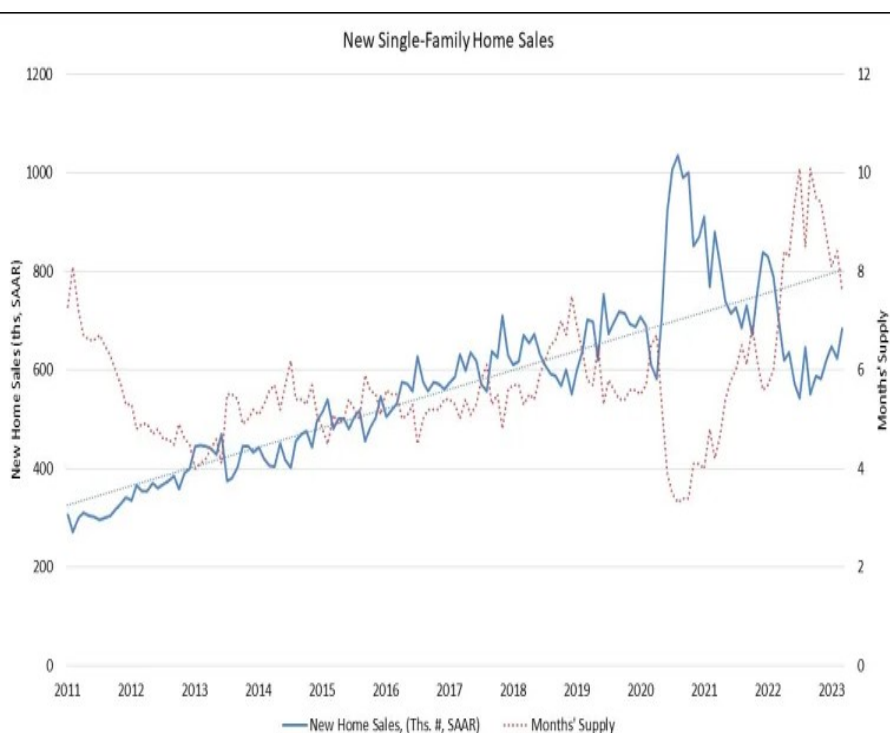




New Home Sales Bounced Back in March

New home sales figures bounced higher again in March, outperforming February sales by 9.6 percent. The U.S. Census Bureau and Department of Housing and Urban Development said newly constructed single-family homes sold at a seasonally adjusted annual rate of 683,000 units during the month compared to a revised 623,000-unit pace in February. That number had originally been estimated at 640,000. March sales were 3.4 percent below those in March 2022.



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Sales figures were **volatile during the first quarter**. The initial January report estimated a 7.5 percent surge to 670,000 units although two subsequent revisions brought it down to 648,000. **February's sales represented a further 3.9 percent decline from that number.**

Analysts for both Econoday and Trading Economics had predicted sales would be at the 630,000 level. This would have been only a 1.1 percent improvement over the prior month.

On an unadjusted basis, sales were estimated at 66,000 for the month. The February total was 57,000.

Sales during the first three months of the year lagged those of a year earlier by 13.9 percent. Year-to-date sales total 180,000 units compared to 209,000 units in 2022.

At the end of the reporting period, there were an estimated 432,000 single-family homes available for sale. At the current sales pace, this represents a 7.6-month supply, down from 8.4 months in February. Over the last year, the available inventory has averaged 448,500 units.

Danushka Nanayakkara-Skillington, writing in the National Association of Home Builders Eye on Housing blog said limited inventory accounts for much of the uptick in new home sales. “A year ago, there were just 32,000 completed, ready-to-occupy homes available for sale (not seasonally adjusted). By March 2023, that number increased 119 percent to 70,000, **reflecting lagging demand and more standing inventory due to lower sales**. Completed, ready-to-occupy inventory, however, remains just 17 percent of total inventory and homes under construction account for 60 percent of the inventory. Homes that have not started construction when the sales contract is signed account for 24 percent of new homes sold in March.”

The median price of a home sold in March was \$449,800 and the average was \$562,400. In March 2022 the prices were \$435,900 and \$511,800, respectively.

The Residential Construction Report for March showed a 72 percent increase in housing starts in the **Northeast**, and now that region accounts for much of the month-over-month increase in new home sales with a 170.8 percent surge over February’s pace. This puts the sales pace 27.5 percent higher than a year earlier. The **West** also made a strong showing with a 29.8 percent rise. Sales remain 9.0 percent lower on an annual basis. The **Midwest** gained 6.0 percent compared to the prior month and sales were 11.3 percent lower than the previous March. The **South** declined 5.4 percent and 3.3 percent compared to the earlier periods.