New Home Sales, Inventory, Pricing. All Good News for Builders and Buyers

New home sales finished 2023 on a positive note, posting seasonally adjusted numbers higher than in both November and the prior December. The U.S. Census Bureau and the Department of Housing and Urban Development said sales of newly constructed homes during the month were at an annual rate of 664,000 units. Further, the November rate was adjusted from 590,000 to 615,000 units. The December estimate is 8.0 percent above the revised November estimate and a 4.4 percent improvement over the pace in December 2022. Analysts polled by Econoday had a consensus forecast of 650,000.

New home **prices slipped slightly from a year earlier.** The median price of a home sold in December 2023 was $413,200 compared to $432,100 in December 2023. The average price fell from $495,600 to $487,300.

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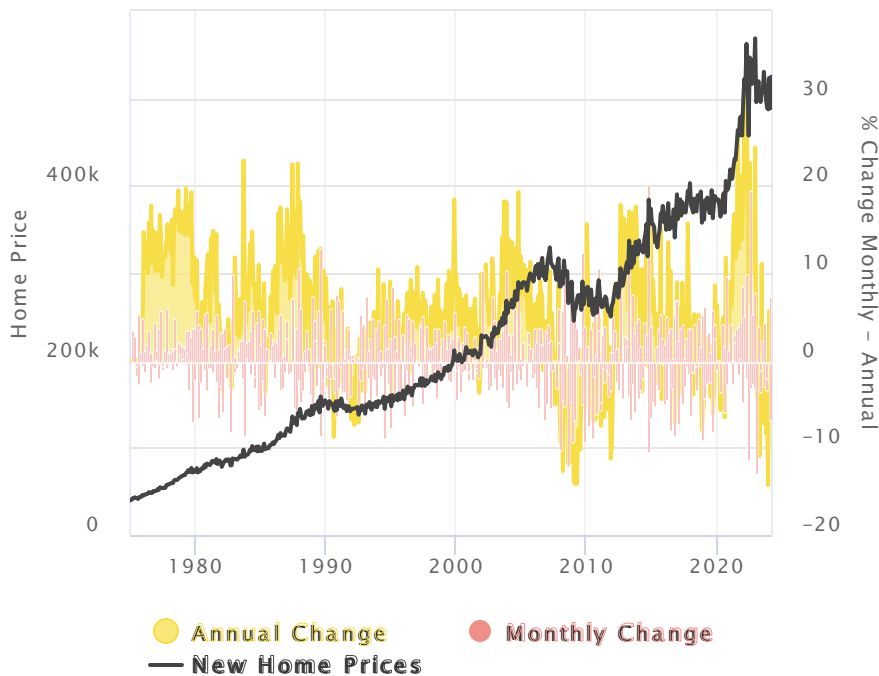gary@cvhlending.com

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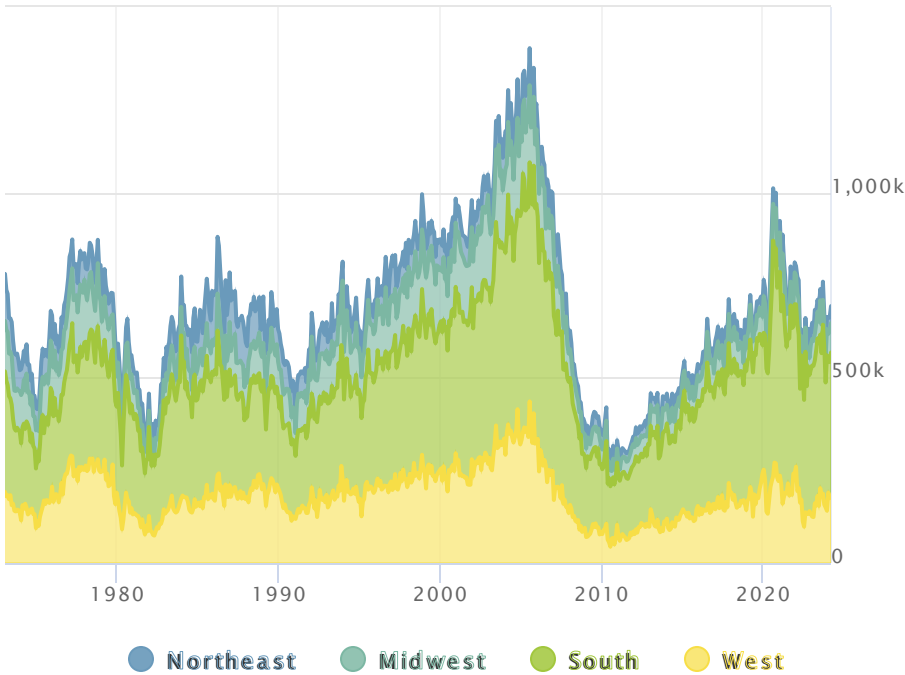MLO NMLS #693579

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New Home Prices – Average

On an unadjusted basis, sales last month were estimated at 50,000 units, up from 42,000 in November. For the entirety of 2023, sales totaled 668,000 units, a 4.2 percent increase over the 2022 sales of 641,000.

At the end of the reporting period, an estimated 453,000 new homes were available for purchase, projected to be an 8.2-month supply at the current sales pace. This is nearly identical to the assumed inventory in December 2022.

New Home Sales

December was a strong month in the **Northeast**. Sales increased 32.0 percent from November, although it was also the only region coming in lower (they were down 2.9 percent) on an annual basis. In the **Midwest**, sales were up 9.2 percent and 6.0 percent over the previous two sales periods and the **South** posted increases of 10.6 percent and 3.7 percent, respectively. Sales in the **West** eked out gains of 0.9 percent month-over-month and 0.4 percent on an annual basis.