



New Home Sales Decline Slightly, Prices Too

Sales of newly constructed homes were virtually unchanged in February. The 662,000 seasonally adjusted annual units recorded in during the month was down by 2,000 units or 0.3 percent from the rate in January. This did, however, put sales 5.9 percent higher than they were in February 2023.



A Referral Based Practice

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The report from the U.S. Census Bureau and the Department of Housing and Urban Development estimated that, before adjustment, sales for the month totaled 60,000 units compared to 57,000 the previous month and 56,000 in February of last year. **Thus far this year, sales of new homes are up 4.4 percent over the same period in 2023 at 117,000 units.**

The median price of houses sold during the reporting period was \$400,500 and the average price was \$485,000. In February 2023 the relative prices were \$433,300 and \$499,100.

At the end of February there were an estimated 451,000 new homes available for sale. This is a **projected 8.4-month supply at the current sales pace and is unchanged from the inventory level one year earlier.**

Robert Dietz, economist for the National Association of Home Builders noted, “Completed and ready-to-occupy inventory has increased 23 percent over the last year, rising to 85,000 homes. Homes advertised for sale but not started construction have increased almost 18 percent over the last year to 106,000. In contrast, homes available for sale that are under construction have declined 2 percent to 272,000.”

New Single-Family Home Inventory



New home sales plunged by 31.5 percent from January to February in the **Northeast** and were 60.9 percent lower year-over-year. The **Midwest** posted a 2.4 percent decline for the month, but sales increased 15.3 percent on an annual basis.

Sales in the **South** rose 3.7 percent compared to January but were 10.0 percent lower for the year. The **West** posted increases of 2.3 percent and 43.4 percent from the two earlier periods.