



New Home Sales Post Small Decline

Interest rates and prices continued to curtail home sales in June. The Census Bureau and the Department of Housing and Urban Development reported on Wednesday that new home sales declined again last month, although the decline was far less severe than the 5.4 percent drop reported for pre-owned homes on Tuesday.

Sales of newly constructed single-family homes were at a seasonally adjusted annual rate of **617,000 units**, down 0.6 percent from the previous month's rate of 621,000. The May figure was revised upward from the original 619,000 estimate. June sales in 2023 were at the rate of 666,000. **This is 7.4 percent higher than the current figure.**



Robert Cloud
Mortgage Broker, Cloud
Financial Group LLC

www.bobbycloud.com

P: 5126272487

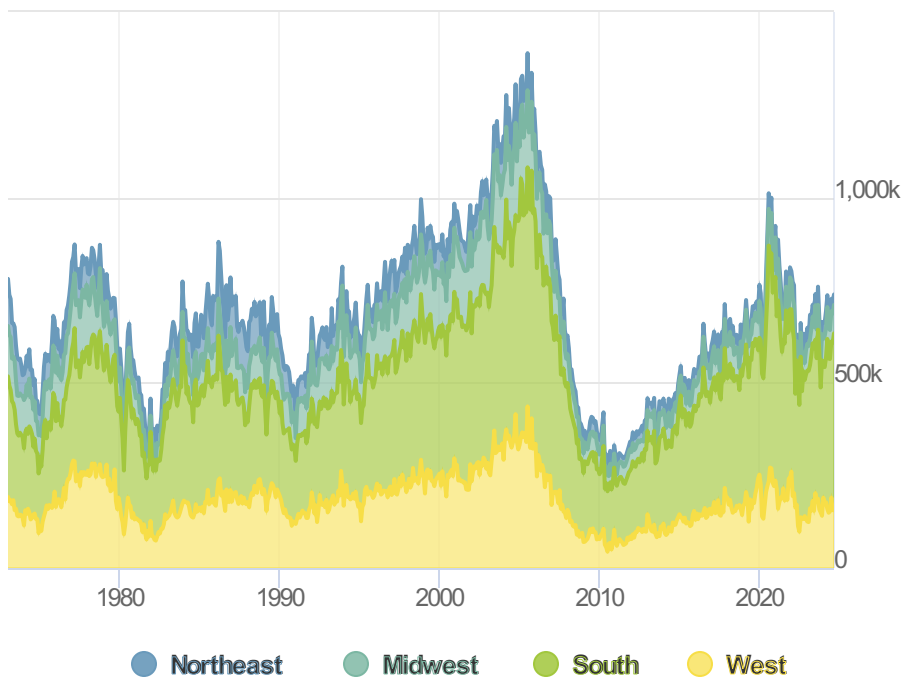
M: 5126272487

8007 Davis Mountain Pass

Austin TX 78726-____

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New Home Sales



On an unadjusted basis, sales in June totaled an estimated 53,000 units, down from 56,000 the prior month. Year-to-date sales total 356,000, only 0.5 percent of the total during the first six months of 2023.

At the end of June, there were 475,000 new homes available for sale. **This supply is estimated to be sufficient for 8.9 months at the current sales pace** and is the amplest inventory since November 2023. Less than a quarter of those homes, however, are ready for occupancy.

The median price of a new home sold in June was \$417,300, \$300 less than the median one year earlier. The average price dropped from \$507,800 to \$487,200.

New Home Prices - Average



Sales in both the **Northeast** and **Midwest** moved lower in June. The Northeast was down 7.7 percent from May and 63.6 percent year-over-year and the Midwest lagged the two prior periods by 6.9 percent and 32.8 percent, respectively.

Sales in the other two regions showed some improvement. The **South** eked out a 0.3 percent gain but was still down 12.2 percent on an annual basis. In the **West**, sales moved higher than in May by 0.8 percent and have grown 11.2 percent since last June.