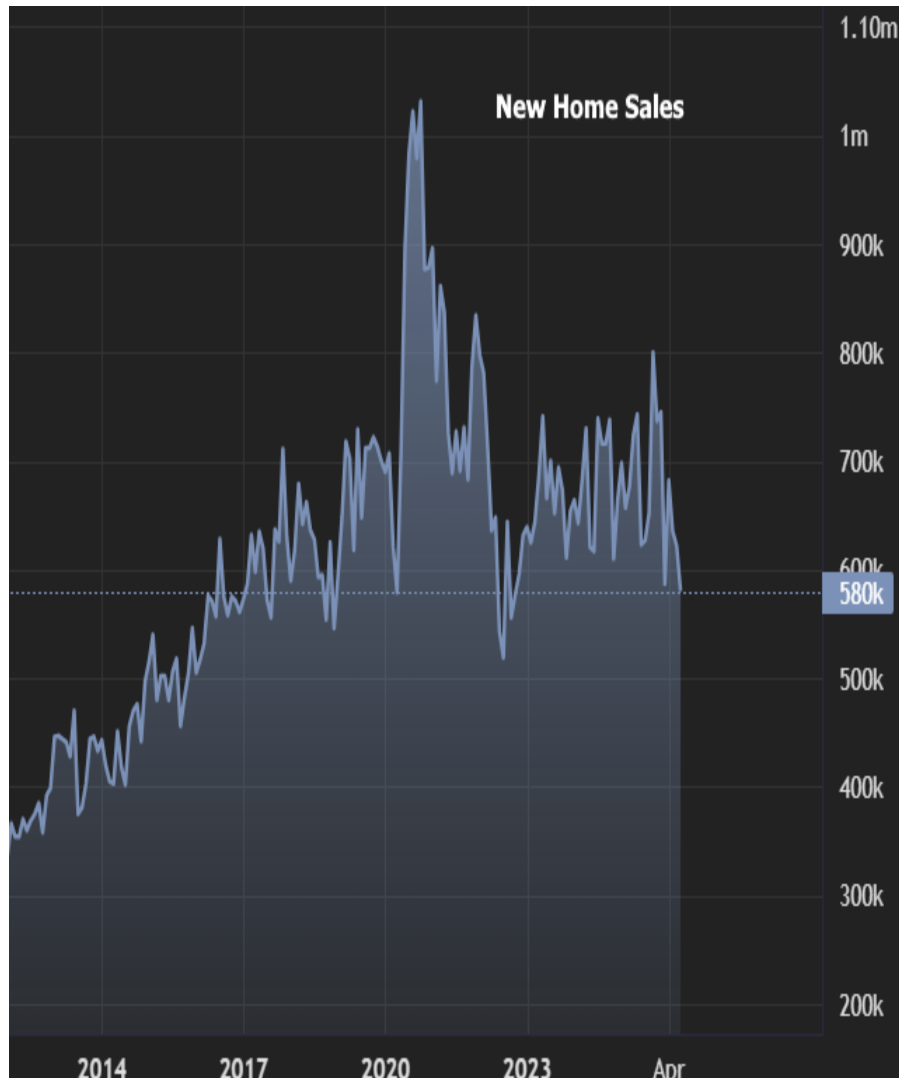




New Home Sales Slide to Multi-Year Lows

New home sales weakened further in May, extending the pullback seen over the past several months as elevated mortgage rates and affordability pressures continued to weigh on buyer demand. According to the latest Census Bureau and HUD data, sales of new single-family homes fell to a seasonally adjusted annual rate of **580,000**, down **7.3%** from April and **6.8%** from a year earlier.



Inventory continued to build, with the number of new homes for sale rising to **496,000**, up **2.3%** from April, though still **1.4%** below May 2025 levels. At the current sales pace, that left months' supply at **10.3 months**, up from **9.3 months** in April and **9.7 months** one year ago.

Home prices moved higher in May. The median sales price increased to **\$424,900**, up **2.0%** from April and essentially unchanged from a year earlier. Meanwhile, the average sales price rose sharply to **\$540,600**, a **7.8%** monthly increase and **5.0%** above May 2025 levels.

While the chart above is potentially alarming at first glance, it's always worth remembering 2 things:



VIVIENNE WONG
Mortgage Loan Consultant,
Blue Financial Group
www.bluefinancialgroup.com
P: (714) 364-4603
M: (626) 833-3237
vivienne@bluefinancialgroup.com
3230 E Imperial Hwy, Suite 300
Brea CA 92821
NMLS#: 320700



Jason Yau
Realtor, Fusion Home
Group
www.fusionhomegroup.com
P: (626) 283-2707
jason@fusionhomegroup.com
15335 Fairfield Ranch Rd. #100
Chino Hills CA 91709
DRE# 01897740



1. New Home Sales data is notoriously choppy month to month, and prone to sometimes significant revisions.

2. Existing Home Sales run at an annual pace over 4 million (compared to New Home Sales at just under 600k), and they've been trending modestly higher in the past few months.

In other words, if incoming data confirms a problem, it's isolated to the new construction market for now.

- **Sales (MoM):** -7.3%
- **Sales (YoY):** -6.8%
- **Inventory (MoM):** +2.3%
- **Inventory (YoY):** -1.4%
- **Months' Supply:** 10.3 (up from 9.3 prior month; 9.7 YoY)
- **Median Price:** \$424,900
- **Average Price:** \$540,600