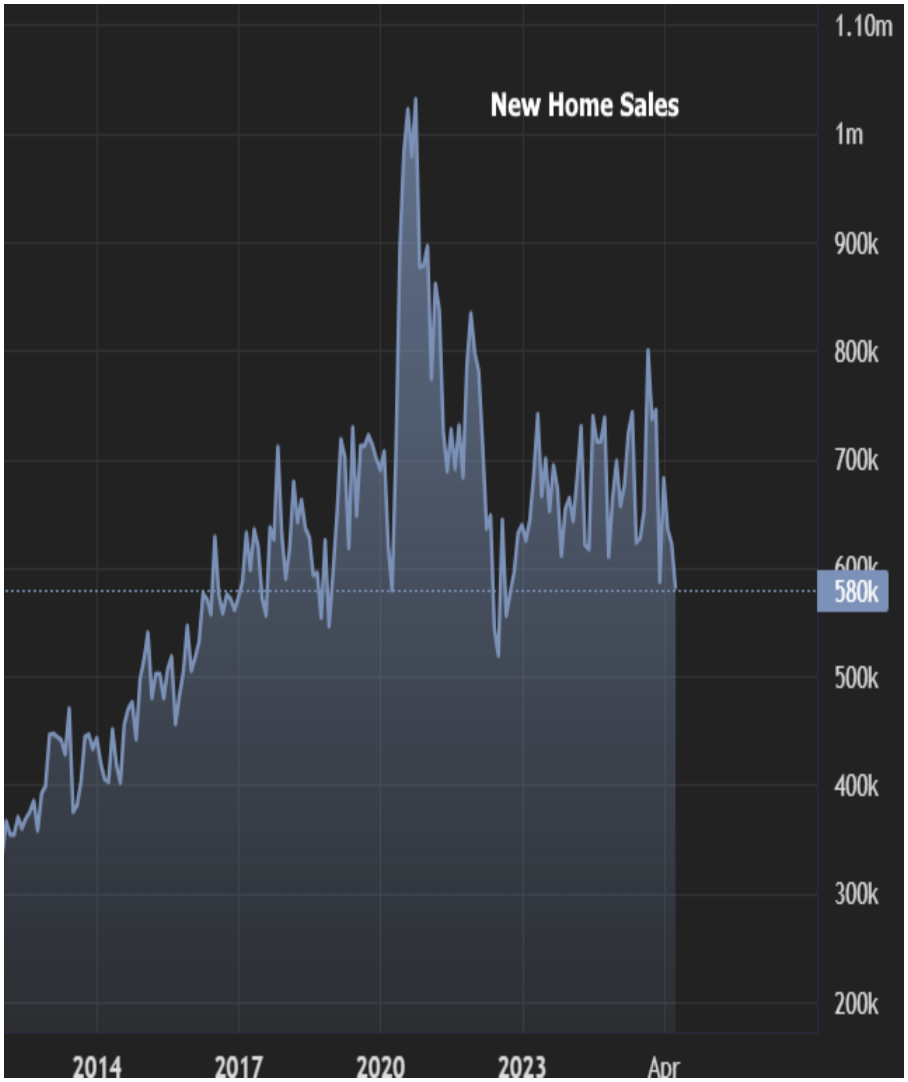
New Home Sales Slide to Multi-Year Lows

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:

Jennifer Yoingco
Realtor, Walzel Properties
www.houstonsuburb.com
M: (832) 286-8636
Jenyoingco7@gmail.com
15420 Ridge Park Dr
Houston TX 77095
648293

Heather Woods
Branch Manager- Broker-Loan Originator, TruLuxe Capital- Powered By My Community Mortgage
www.TruLuxeCapital.com
M: (210) 392-8299
heather@truluxecapital.com
Humble TX 77346
833399

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

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

EQUAL HOUSING LENDER

EQUAL HOUSING OPPORTUNITY

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.