

New Home Sales Remain Near 12 Year Highs

By: Jann Swanson | Mbn, Dec 23 2019, 10:53 AM

New home sales continued their recent run in November, **increasing by 1.3 percent** from the revised October rate of 710,000 to a seasonally adjusted annual rate of 719,000 units. The numbers were deceiving however, as that October rate was revised down from the original estimate of 733,000 units. On an annual basis, the U.S. Census Bureau and Department of Housing and Urban Development said November sales were 16.9 percent higher than a year earlier when the rate was 615,000 units. Sales in October had been estimated at a 31.6 percent year-over-year improvement.

The November rate of sales was barely sufficient to make it into the range of forecasts by analysts polled by *Econoday*. Those ranged from 715,000 to 750,000 units with a consensus of 735,000. That said, anything over 700k puts sales among the few best months since 2007.

Nearly all of the months gains came in the **Northeast** region where sales were up 52.4 percent for the month to an annual pace of 32,000 units, 6.7 percent higher than sales the prior November. Sales also rose in the West, up 7.5 percent for the month and increasing 47.9 percent year-over-year. Sales were unchanged in the **Midwest** from a month earlier and down 1.4 percent on an annual basis. The South recorded a 4.1 percent drop for the month although sales were 9.0 percent higher compared to the same period in 2018.

The median price of a home sold during the month was \$330,800 and the average was \$388,200. A year earlier the respective sales prices were \$305,400 and \$361,100. Fifty-five percent of homes sold during the month were in the \$200,000 to \$299,999 and \$300,000 to \$399,999 price tiers.

At the end of the reporting period there were 323,000 newly constructed homes for sale, an estimated 5.4-month supply at the current rate of sales. In October the inventory was estimated at a 5.5-month supply. The November inventory was down 16.9 percent from the estimated 6.5-month supply of homes a year earlier.

On an unadjusted basis, 52,000 homes were sold during the month, down from 55,000 in October. During the first 10 months of 2019 sales totaled 635,000 compared to 578,000 during the same period in 2018, an increase of 9.8 percent.

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