

New Home Sale Refuse to Back Down From 14-year highs

By: Jann Swanson | Wed, Nov 25 2020, 11:25 AM

Sales of newly constructed single-family homes slipped slightly in October; the **second month sales have declined**. The U.S. Census Bureau and Department of Housing and Urban Development reported that the month's sales were at a seasonally adjusted annual rate of 999,000, a decrease of 0.3 percent compared to September's revised sales of 1,002,000. New home sales in October were 41.5 percent higher than those in October 2019.

Both August and September sales numbers were **revised higher** in this month's report. September's sales were originally reported at 959,000 and August sales, which had been revised down to 994,000 from a much higher original rate, were boosted back up to 1,001,000.

October's sales were higher than expected. Analysts polled by *Econoday* had forecasts over a range of 935,000 to 1,035,000 with a consensus of 975,000. The forecast from *Trading Economics* was 970,000.

On a non-adjusted basis there were 80,000 new homes sold during the month compared to 79,000 in September. On a year-to-date basis, sales have totaled 704,000 units, a 20.6 percent increase over the 584,000 sold during the first 10 months of 2019.

The median price of homes sold during the period was \$330,600 compared to \$322,400 in October of last year. The average price was \$386,200, up from \$380,300 last year.

There were an estimated 278,000 new homes on the market at the end of October. This is estimated at a 3.3-month supply. Both the total number and the month's supply were unchanged from September, but a year earlier there were 321,000 homes available, a 5.5-month supply.

Sales in the **Northeast** rose 5.1 percent from September to a rate of 41,000 units. This was 86.4 percent higher than the sales in October 2019. In the **Midwest** there was an increase of 11.2 percent for the month to a 109,000-unit annual rate, year-over-year growth of 51.4 percent.

Sales dipped 2.0 percent in the **South** to 580,000 annual units but remained 40.1 percent higher than a year earlier. In the **West** there was no change from September, leaving the sales at an annual rate of 278,000 units. This is 13.4 percent fewer sales than during the prior October.

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