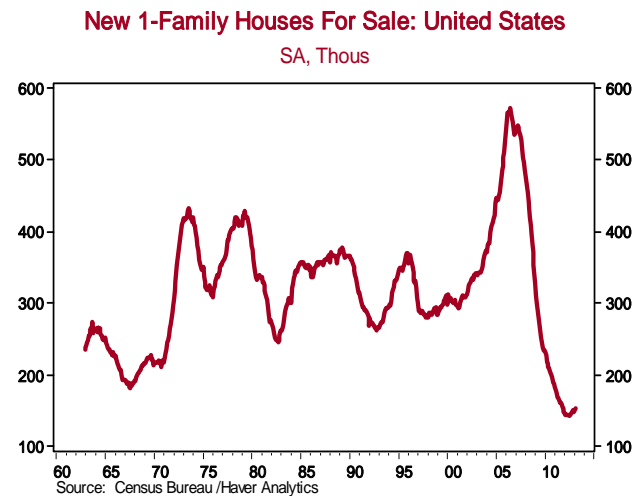
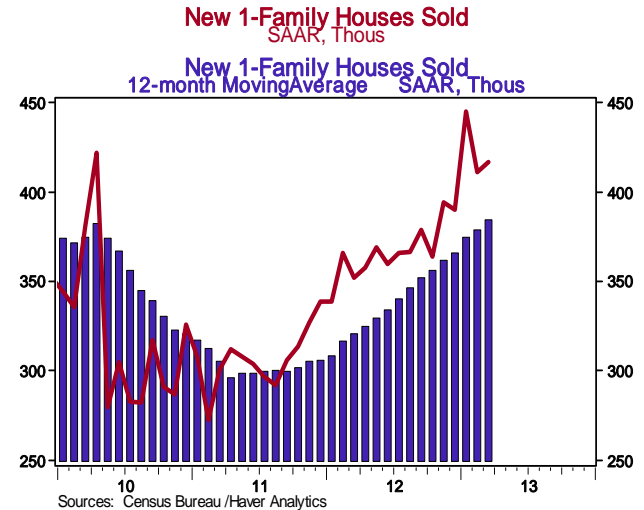


March New Home Sales

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- New single-family home sales rose 1.5% in March, to a 417,000 annual rate, almost matching the consensus expected pace of 416,000. Sales are up 18.5% from a year ago.
- Sales were up in the Northeast and South but were down in the West and Midwest.
- The months' supply of new homes (how long it would take to sell the homes in inventory) was unchanged at 4.4 in March. The slightly faster selling pace was offset by a 3,000 unit rise in inventories of new homes.
- The median price of new homes sold was \$247,000 in March, up 3.0% from a year ago. The average price of new homes sold was \$279,900, down 1.3% versus last year.

Implications: The new home market, which is typically the last piece of the housing puzzle to recover, is clearly improving. Sales were up 1.5% in March and a whopping 18.5% from a year ago. In fact, Q1 of 2013 was the best quarter of new home sales since Q3 of 2008. The months' supply of new homes -- how long it would take to sell the homes in inventory -- remained unchanged at 4.4, but is still well below the average of 5.7 over the past 20 years and close to the 4.0 months that prevailed in 1998-2004, during the housing boom. This means that as the pace of sales continues to rise over the next few years, home builders will have room to increase inventories. After a large reduction in inventories over the past several years, builders look like they're getting ready for that transition. Inventories have increased in 6 of the last 7 months. The median price of a new home is up 3.0% from a year ago, and we expect prices to continue to move higher in the coming years. In other recent housing news, the FHFA index, which measures prices for homes financed by conforming mortgages, increased 0.7% in February (seasonally-adjusted) and is up 7.1% from a year ago. On the factory front, the Richmond Fed index, a survey of mid-Atlantic manufacturers, fell to -6 in April from +3 in March. Manufacturing reports have been mixed but are still consistent with mild plow horse-like growth in that sector and economy as a whole.



New Home Sales	Mar-13		Feb-13	Jan-13	3-mo	6-mo	Yr to Yr
	% Ch	Level					
<i>All Data Seasonally Adjusted, Levels in Thousands</i>					moving avg	moving avg	% Change
New Single Family Homes Sales	1.5%	417	411	445	424	404	18.5
Northeast	20.6%	41	34	33	36	32	32.3
Midwest	-12.1%	51	58	55	55	51	21.4
South	19.4%	215	180	214	203	205	8.0
West	-20.9%	110	139	143	131	116	37.5
Median Sales Price (\$, NSA)	-6.8%	247,000	264,900	245,400	252,433	251,300	3.0
		Mar-13	Feb-13	Jan-13	3-mo Avg	6-mo Avg	12-mo Avg
Months' Supply at Current Sales Rate (Levels)		4.4	4.4	4.0	4.3	4.5	4.6

Source: Bureau of the Census