

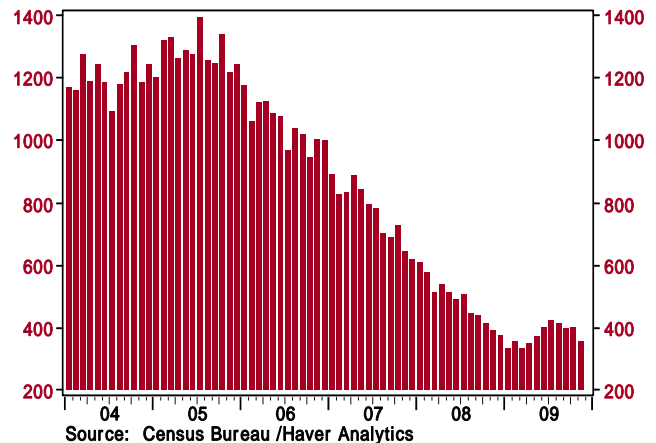
# NOVEMBER NEW HOME SALES

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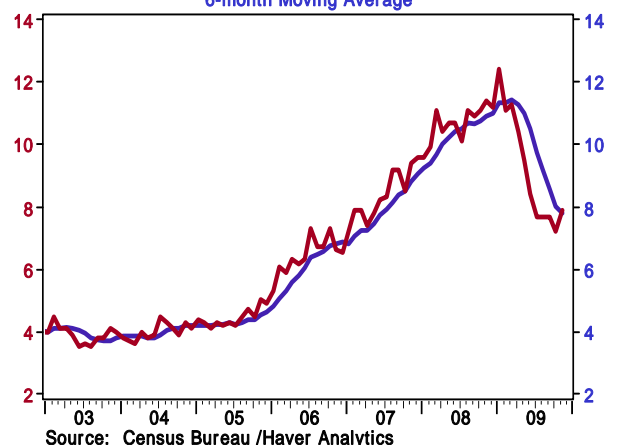
- New single-family home sales declined 11.3% in November to a 355,000 annual rate, far short of the consensus expected pace of 438,000. Sales are up 7.9% versus the January low.
- Sales were up in the Midwest, down slightly in the Northeast, and down in the South and West.
- At the current sales pace, the supply of unsold new homes increased to 7.9 months in November. The rise in the months' supply was all due to the slower pace of sales. Inventories fell to 235,000 in November, down 58.9% from the peak in mid-2006, and the lowest since 1971.
- The median price of new homes sold was \$217,400 in November, down 1.9% from a year ago. The average price of new homes sold was \$280,300, down 3.4% versus last year.

**Implications:** New home sales slowed down substantially in November, although they remain off the lows set early this year. However, it is important to note that even at this slower pace, the rate of home sales is still fast enough to generate increases in home building over the next several months. New single-family homes sold at a 355,000 annual rate in November. Single-family homes were started at a 482,000 annual rate in November, but about 200,000 per year are not built for sale (because the homeowner already owns the land). That leaves single-family housing starts *for homes that need to be sold* at about 282,000, which is lower than the 355,000 pace of sales. The gap between sales and starts built for sale is a reason why new home inventories keep falling. At present, builders have only 235,000 homes that have yet to be sold, the lowest total since 1971. Long-term, we think new single-family homes should be selling at about a 950,000 annual rate. We are not going to get back to that pace overnight, but rising incomes, improving household balance sheets, and simple population growth will push us gradually higher over the next three years.

New 1-Family Houses Sold: United States  
SAAR, Thous



Months' Supply at current Sales Rate  
Seasonally Adjusted  
Months' Supply at current Sales Rate  
6-month Moving Average



New Home Sales <i>All Data Seasonally Adjusted, Levels in Thousands</i>	Nov-09		Oct-09	Sep-09	3-mo	6-mo	Yr to Yr
	% Ch	Level			moving avg	moving avg	% Change
<b>New Single Family Homes Sales</b>	-11.3%	355	400	393	383	396	-9.0
Northeast	-3.3%	29	30	36	32	35	-23.7
Midwest	21.4%	68	56	68	64	61	23.6
South	-21.1%	179	227	196	201	205	-14.8
West	-9.2%	79	87	93	86	95	-9.2
<b>Median Sales Price (\$, NSA)</b>	3.8%	217,400	209,400	213,500	213,433	212,717	-1.9
		Nov-09	Oct-09	Sep-09	3-mo Avg	6-mo Avg	12-mo Avg
<b>Months' Supply at Current Sales Rate (Levels)</b>		7.9	7.2	7.7	7.6	7.8	9.4

Source: Bureau of the Census

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