

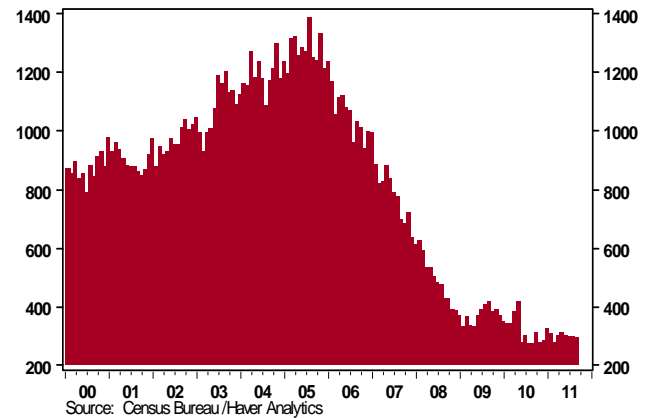
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## August New Home Sales

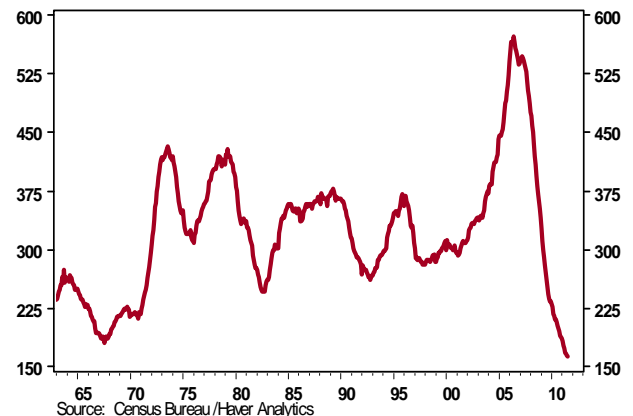
- New single-family home sales fell 2.3% in August, coming in at a 295,000 annual rate versus a consensus expected pace of 293,000.
- Sales were down in the Northeast, West, South, but up in the Midwest.
- At the current sales pace, the months' supply of new homes (how long it would take to sell the homes in inventory) ticked up to 6.6. Inventories fell slightly, but so did the pace of sales. Inventories are at their lowest level on record, dating back to 1963.
- The median price of new homes sold was \$209,100 in August, down 7.7% from a year ago. The average price of new homes sold was \$246,000, down 8.5% versus last year.

**Implications:** New home sales declined slightly in August and remained in the very narrow and depressed range they have been in since May 2010. New home sales face a number of strong headwinds. Credit conditions remain tight even as mortgage rates decline. Also, builders are competing against like-new existing homes selling at steep discounts, including foreclosed properties and short sales. The good news in today's report was that the inventory of new homes for sale fell to the lowest level on record yet again in August. Notably, although the inventories of completed homes and those still under construction continue to fall, the inventory of homes not yet started increased the most in almost five years. This fits with other data suggesting that home building is at, or is very close, to an upward inflection point. The median price of a new home is down 7.7% versus a year ago while average prices are down 8.5%. However, in other recent housing news, the FHFA index, a price measure for homes financed by conforming mortgages, increased 0.8% in July after a 0.7% rise in June. In the past three months the index is up at a 7.4% annual rate, the fastest pace since early 2006, before the housing price collapse began. Still, prices are down 3.3% versus a year ago. On the labor market, new claims for unemployment insurance declined 9,000 to 423,000. Continuing claims for regular state benefits declined 28,000 to 3.73 million. These numbers are simply not showing a recession.

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



**New 1-Family Houses For Sale: United States**  
 SA, Thous



New Home Sales	Aug-11		Jul-11	Jun-11	3-mo moving avg	6-mo moving avg	Yr to Yr % Change
	% Ch	Level					
<i>All Data Seasonally Adjusted, Levels in Thousands</i>							
<b>New Single Family Homes Sales</b>	<b>-2.3%</b>	<b>295</b>	302	303	300	305	6.1
<b>Northeast</b>	<b>-13.6%</b>	<b>19</b>	22	14	18	21	-36.7
<b>Midwest</b>	<b>8.2%</b>	<b>53</b>	49	43	48	44	65.6
<b>South</b>	<b>-2.4%</b>	<b>164</b>	168	174	169	170	9.3
<b>West</b>	<b>-6.3%</b>	<b>59</b>	63	72	65	70	-10.6
<b>Median Sales Price (\$, NSA)</b>	<b>-8.7%</b>	<b>209,100</b>	228,900	238,400	225,467	223,933	-7.7
		<b>Aug-11</b>	<b>Jul-11</b>	<b>Jun-11</b>	<b>3-mo Avg</b>	<b>6-mo Avg</b>	<b>12-mo Avg</b>
<b>Months' Supply at Current Sales Rate (Levels)</b>		<b>6.6</b>	6.5	6.6	6.6	6.6	7.2

Source: Bureau of the Census