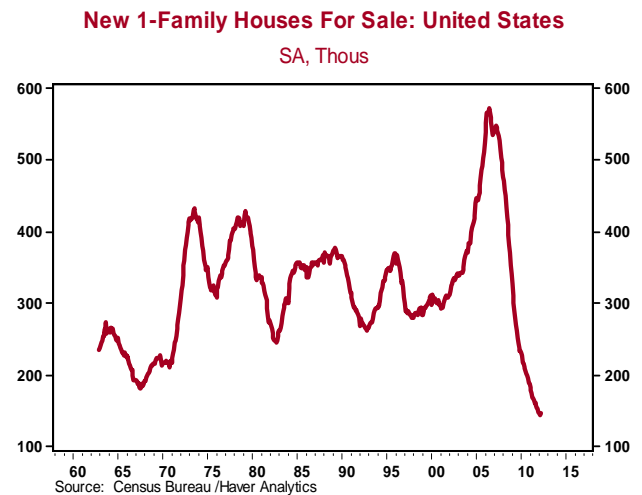
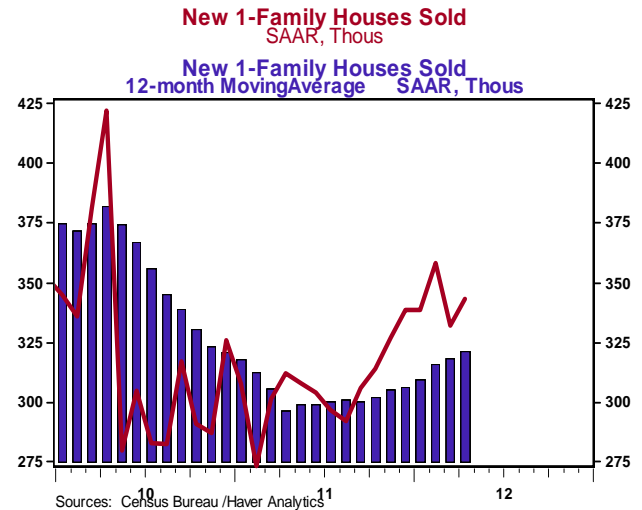


# April New Home Sales

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- New single-family home sales increased 3.3% in April, to a 343,000 annual rate, beating the consensus expected pace of 335,000.
- Sales were up in the Northeast, West, and Midwest, but down in the South.
- The months' supply of new homes (how long it would take to sell the homes in inventory) fell to 5.1 from 5.2 in March. The fall in the months' supply was all due to a faster selling pace. Inventories rose slightly.
- The median price of new homes sold was \$235,700 in April, up 4.9% from a year ago. The average price of new homes sold was \$282,600, up 5.1% versus last year.

**Implications:** New home sales should be the last piece of the housing puzzle to recover, and they now look to be on the mend. New home sales beat consensus expectations and are now up 9.9% from a year ago. This is great news considering banks can now move forward with foreclosures more quickly, which is bringing a large inventory of bargain-priced existing homes on the market. The road ahead looks better than it has looked in years. The upward trend in home sales is only one piece of good news for builders. Another is that the total inventory of new homes is near rock bottom levels (see lower chart to right). Notably, however, the inventory of new homes where the builder has yet to break ground continues to climb, showing builders are getting ready for what they believe will be more buyers. We think they're right. In fact, a lack of inventories is probably holding back sales. The other piece of good news for builders is that new home prices are climbing, with the median price of a new home up 4.9% from a year ago and average prices up 5.1%. In other news on home prices, the FHFA index, a measure for homes financed by conforming mortgages, jumped 1.8% in March, the largest monthly gain since the start of the series back to 1991. Prices are now up 2.7% from a year ago, the largest gain since November 2006.



New Home Sales	Apr-12		Mar-12	Feb-12	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>3.3%</b>	<b>343</b>	332	358	344	340	9.9
<b>Northeast</b>	<b>7.7%</b>	<b>28</b>	26	26	27	23	16.7
<b>Midwest</b>	<b>28.2%</b>	<b>50</b>	39	48	46	49	22.0
<b>South</b>	<b>-10.6%</b>	<b>177</b>	198	193	189	188	4.7
<b>West</b>	<b>27.5%</b>	<b>88</b>	69	91	83	80	12.8
<b>Median Sales Price (\$, NSA)</b>	<b>0.7%</b>	<b>235,700</b>	234,000	237,700	235,800	227,000	4.9
		<b>Apr-12</b>	<b>Mar-12</b>	<b>Feb-12</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>5.1</b>	5.2	4.9	5.1	5.3	5.9

Source: Bureau of the Census