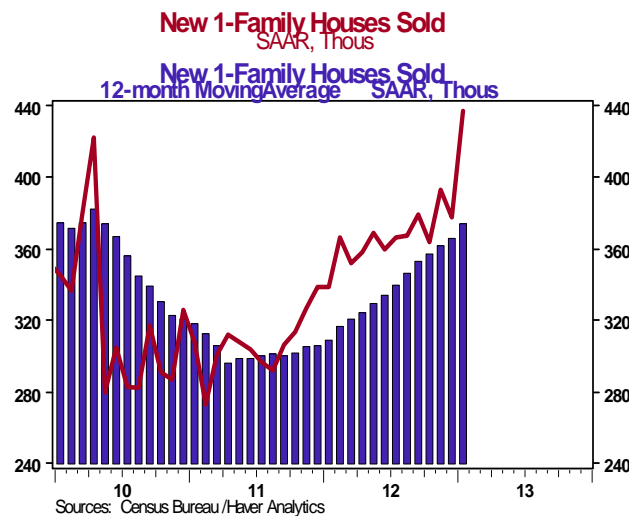


January New Home Sales

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- New single-family home sales boomed 15.6% in January, to a 437,000 annual rate, well above the consensus expected pace of 380,000. Sales are up 28.9% from a year ago.
- Sales were up in all major regions of the country.
- The months' supply of new homes (how long it would take to sell the homes in inventory) fell to 4.1 in January from 4.8 in December. All of the decline was due to a faster selling pace. Inventories of new homes were unchanged.
- The median price of new homes sold was \$226,400 in January, up 2.1% from a year ago. The average price of new homes sold was \$286,300, up 7.8% versus last year.

Implications: New home sales boomed in January rising 15.6% to a 437,000 annual rate, the highest level since July 2008. Sales are up 28.9% from a year ago. The new home market, which is typically the last piece of the housing puzzle to recover, is clearly improving. As a result of faster sales, the months' supply of new homes -- how long it would take to sell the homes in inventory -- fell to 4.1, the lowest since 2005. This is well below the average of 5.7 over the past 20 years and roughly the same as 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 not fallen for five straight months. The median price of a new home is up 2.1% from a year ago, while average prices are up 7.8%, showing that higher priced homes are moving faster. In other housing news this morning, the FHFA index, a measure of prices for homes financed with conforming mortgages, increased 0.6% in December and is up 5.8% in the past year. The Case-Shiller index, a measure of home prices in 20 major metro areas, showed a 0.9% gain in December and is up 6.8% in the past year, the largest gain since 2006. Prices rose in 19 of the 20 areas, with only New York showing a year-over-year decline. In other news, the Richmond Fed index, a survey of mid-Atlantic manufacturers, rose to +6 in February from -12 in January. Manufacturing reports have been mainly positive in February and are consistent with moderate plow horse-like growth in that sector and the economy as a whole.



New 1-Family Houses For Sale: United States
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New Home Sales	Jan-13		Dec-12	Nov-12	3-mo moving avg	6-mo moving avg	Yr to Yr % Change
	% Ch	Level					
<i>All Data Seasonally Adjusted, Levels in Thousands</i>							
New Single Family Homes Sales	15.6%	437	378	393	403	386	28.9
Northeast	27.6%	37	29	35	34	32	54.2
Midwest	11.1%	50	45	43	46	46	13.6
South	3.2%	225	218	223	222	207	16.6
West	45.3%	125	86	92	101	101	60.3
Median Sales Price (\$, NSA)	-9.4%	226,400	249,800	244,600	240,267	245,967	2.1
		Jan-13	Dec-12	Nov-12	3-mo Avg	6-mo Avg	12-mo Avg
Months' Supply at Current Sales Rate (Levels)		4.1	4.8	4.5	4.5	4.6	4.7

Source: Bureau of the Census