

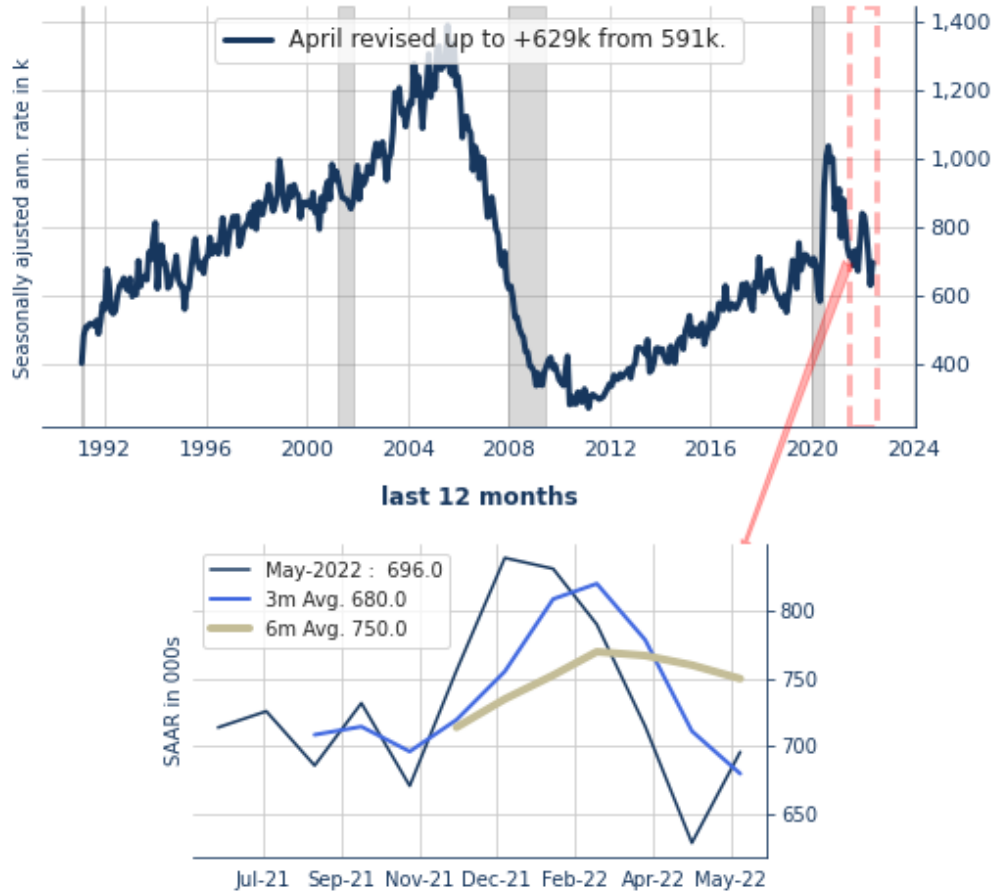
24.Jun.2022

New Home Sales: Surprise Jump, Trend Still Lower

Bottom Line: New home sales surprised sharply higher in May, despite the historic increase in mortgage rates. Even with upward revisions to prior data, the trend remains downward. We should remember that new home sales account for a much smaller share of housing activity than existing home sales (about 10% of existing) and tend to be more volatile. Still, looking through the volatility, these May data are well below last year's levels. Moreover, they offer insights into the impact of higher mortgage rates -- where existing home sales have continued to see higher prices, average new home sales prices fell, suggesting the composition of sales is shifting towards lower-priced homes. Overall, while this report suggests sales were not as bad as previously reported, the trend remained downward, with sales likely lower in June, as the housing market adjusted to sharply higher mortgage rates (this week's move notwithstanding).

US New Home Sales

May: 696k +67k consensus: +590k



Contingent Macro Advisors 2022 source: US Census Bureau

New Home Sales ROSE by 10.7% to 696k, after the prior month was revised higher to 709k. This compared with market expectations for a decline to 590k, from the unrevised April level of 591k. Sales are now 5.9% BELOW their year-ago level.

The Inventory of Homes Available for Sale ROSE by 1.6% to 444k. Inventories are now 34.5% ABOVE their year-ago levels.

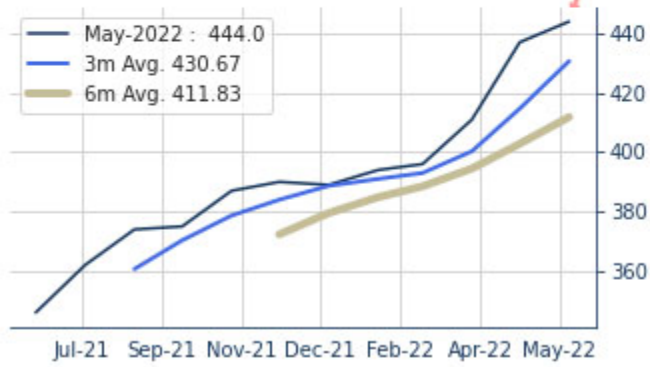
Combined with the increase in sales, **the Months' Supply** dropped to 7.7 months from 8.3 months. This is modestly ABOVE a normal level of 6.0 months.

Home Prices ROSE with median prices 15.0% ABOVE their year-ago level and with average prices 14.8% ABOVE their year-ago level.

New Home Sales - Inventory



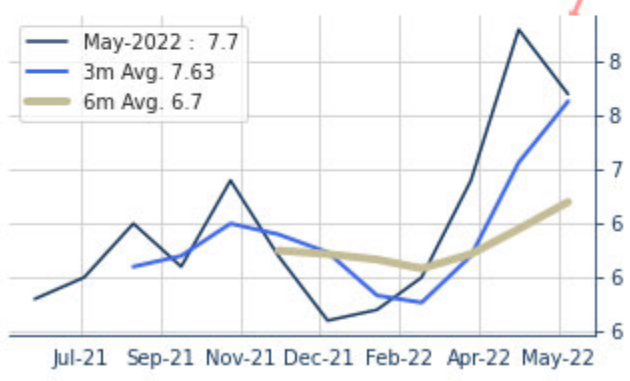
last 12 months



New Home Sales - Months Supply



last 12 months



Contingent Macro Advisors 2022 source: US Census Bureau

New Home Sales - Median Price



Contingent Macro Advisors 2022 source: US Census Bureau

US New Home Sales	May-2022	Apr-2022	Mar-2022	Feb-2022	3-mo. Avg.	6-mo. Avg.	12-mo. Avg.	2021 Avg.	2020 Avg.	60-mo. Avg.
New Home Sales	696.0	629.0	715.0	790.0	680.0	750.0	732.1	769.4	831.2	713.1
New Home Sales - % Chg.	10.7	-12.0	-9.5	-4.9						
Inventory	444.0	437.0	411.0	396.0	430.7	411.8	392.1	349.4	304.1	327.2
Inventory - % Chg.	1.6	6.3	3.8	0.5						
Months Supply	7.7	8.3	6.9	6.0	7.6	6.7	6.5	5.5	4.6	5.6
Months Supply Chg.	-0.6	1.4	0.9	0.3						
Median Price in \$k	449.0	454.7	433.9	427.4	445.9	434.2	421.8	394.0	335.0	349.0
Median Price - % Chg.	-1.3	4.8	1.5	-0.7						
Avg. Price in \$k	511.4	569.5	512.9	522.2	531.3	518.0	494.1	452.8	385.0	407.1

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Avg. Price - % Chg.	-10.2	11.0	-1.8	4.2						

source: Census Bureau

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