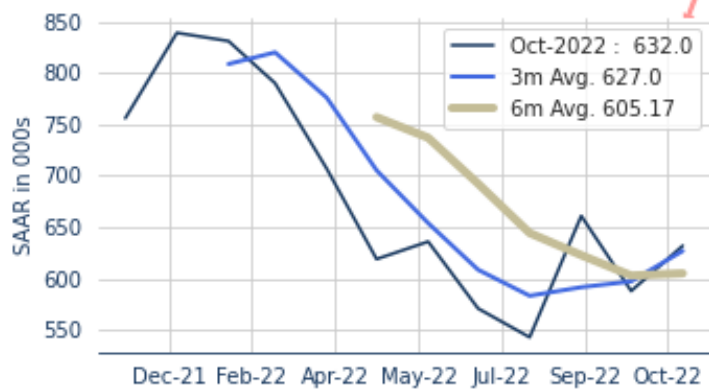
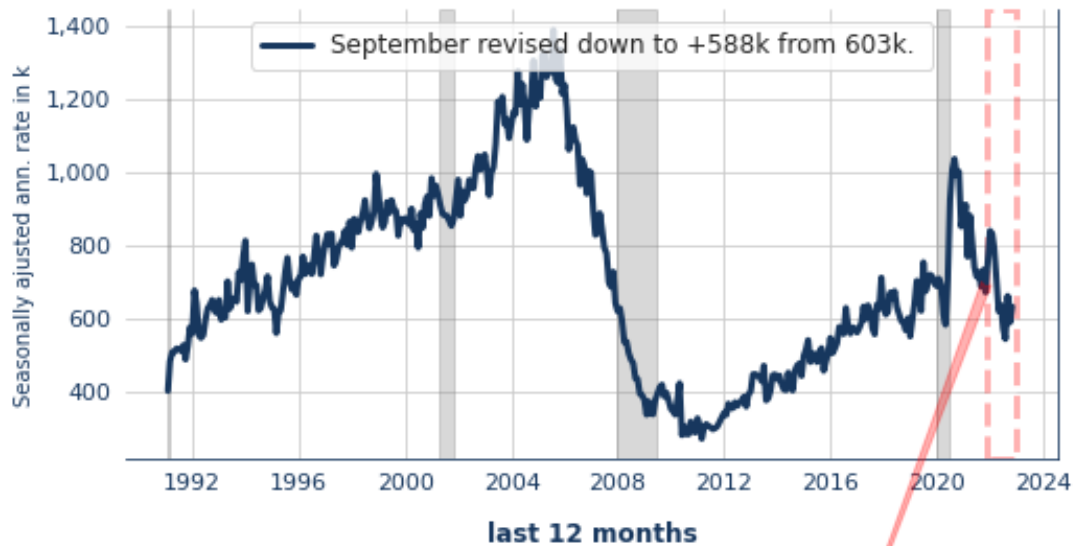


23.Nov.2022

New Home Sales: Rebound, No Change in Trend

Bottom Line: New home sales rebounded in October, but there were negative revisions to September data. As builders continue to deliver homes developed prior to the sharp move higher in mortgage rates, new home sales have trended lower but now appear to be settling in around the 2017-2019 levels seen after the change in the tax code, which made reduced the mortgage interest deduction in higher-income states. Still, it is unclear how many of these sales were committed to earlier this year, with borrowers potentially even rate-locking mortgages many months ago. The trend in new home sales was volatile but still trending lower. Additionally, inventories were higher again, as the months' supply metric inched below 9 months, still very high and only seen during and immediately after the financial crisis. Finally, the median and average new home price delivered was sharply higher in October, suggesting the high-end consumer has been able to withstand the increase in mortgage payments. Overall, while the rebound was encouraging, this report does little to change the outlook that housing will remain a drag on economic growth for several more quarters.

US New Home Sales October: 632k +44k consensus: +570k



Contingent Macro Advisors 2022 source: US Census Bureau

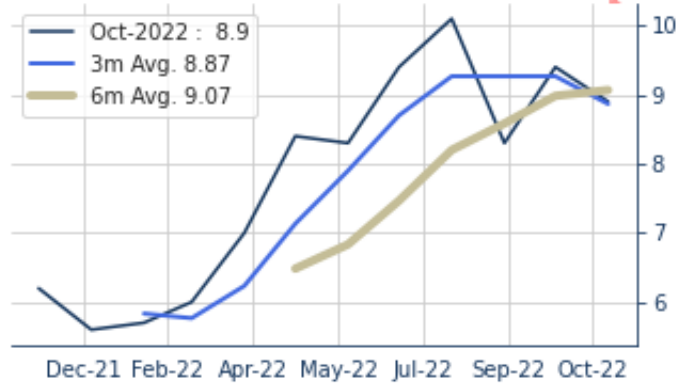
New Home Sales ROSE by 7.5% to 632k, after the prior month was revised higher to 642k. This compared with market expectations for a decline to 570k, from the unrevised September level of 603k. Sales are now 5.8% BELOW their year-ago level.

The Inventory of Homes Available for Sale ROSE by 1.5% to 470k. Inventories are now 21.4% ABOVE their year-ago.

Combined with the increase in sales, the **Months' Supply** dropped to 8.9 months from 9.4 months. This is modestly ABOVE a normal level of 6.0 months.

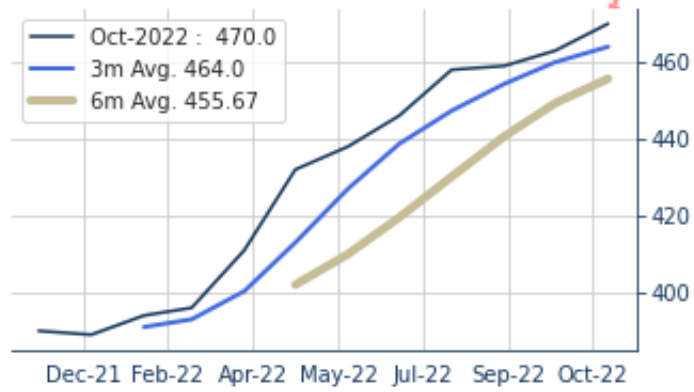
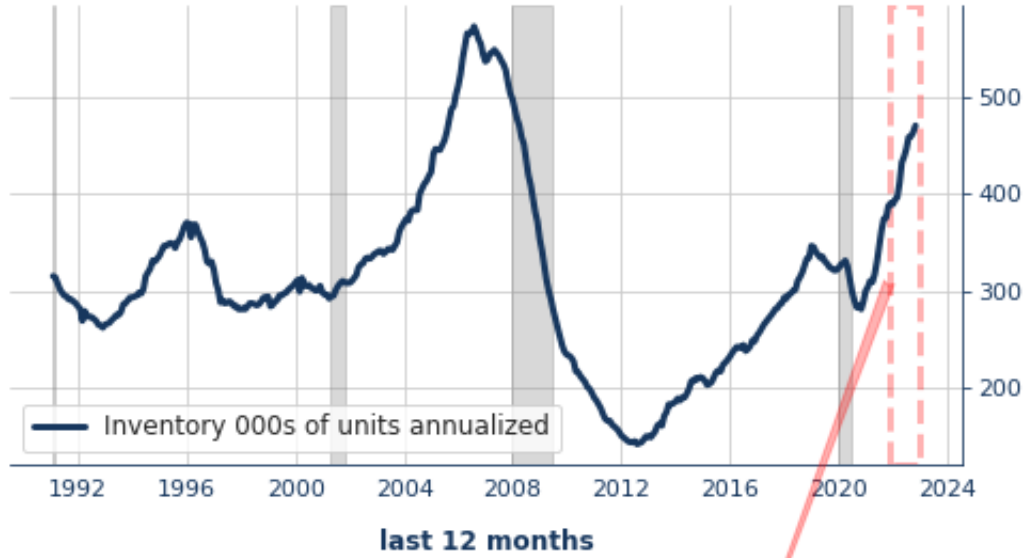
Home Prices ROSE with median prices 15.4% ABOVE their year-ago level and with average prices 11.5% ABOVE their year-ago level.

New Home Sales - Months Supply



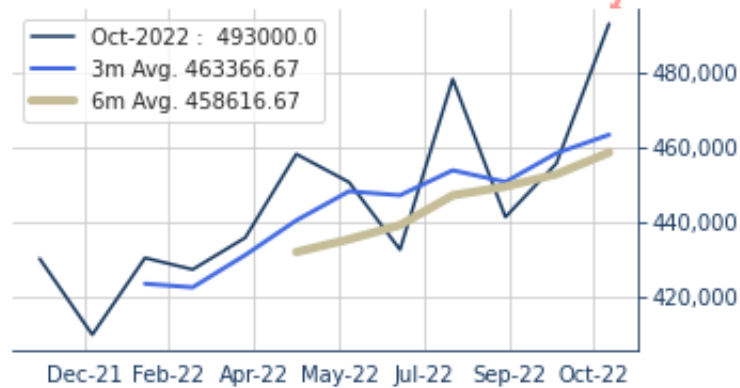
Contingent Macro Advisors 2022 source: US Census Bureau

New Home Sales - Inventory



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	Oct-2022	Sep-2022	Aug-2022	Jul-2022	3-mo. Avg.	6-mo. Avg.	12-mo. Avg.	2021 Avg.	2020 Avg.	60-mo. Avg.
New Home Sales	632.0	588.0	661.0	543.0	627.0	605.2	681.1	769.4	831.2	711.5
New Home Sales - % Chg.	7.5	-11.0	21.7	-4.9						
Inventory	470.0	463.0	459.0	458.0	464.0	455.7	428.8	349.4	304.1	342.0
Inventory - % Chg.	1.5	0.9	0.2	2.7						
Months Supply	8.9	9.4	8.3	10.1	8.9	9.1	7.8	5.5	4.6	6.0
Months Supply Chg.	-0.5	1.1	-1.8	0.7						
Median Price in \$k	493.0	455.7	441.4	478.2	463.4	458.6	445.3	394.0	335.0	360.8
Median Price - % Chg.	8.2	3.2	-7.7	10.5						
Avg. Price in \$k	544.0	516.4	530.2	564.9	530.2	524.8	519.7	452.8	385.0	419.4

Avg. Price - % Chg.	5.3	-2.6	-6.1	19.7						
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source: Census Bureau