

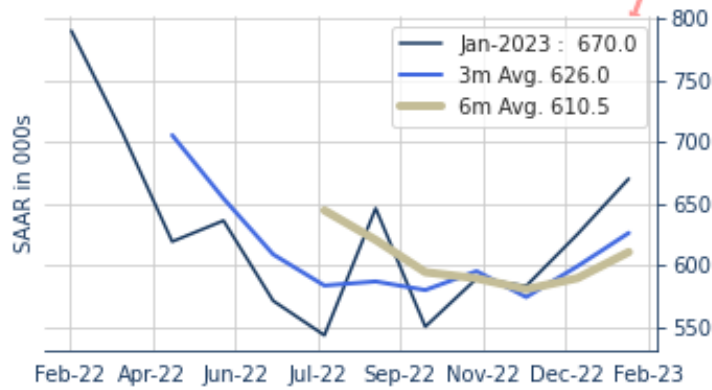
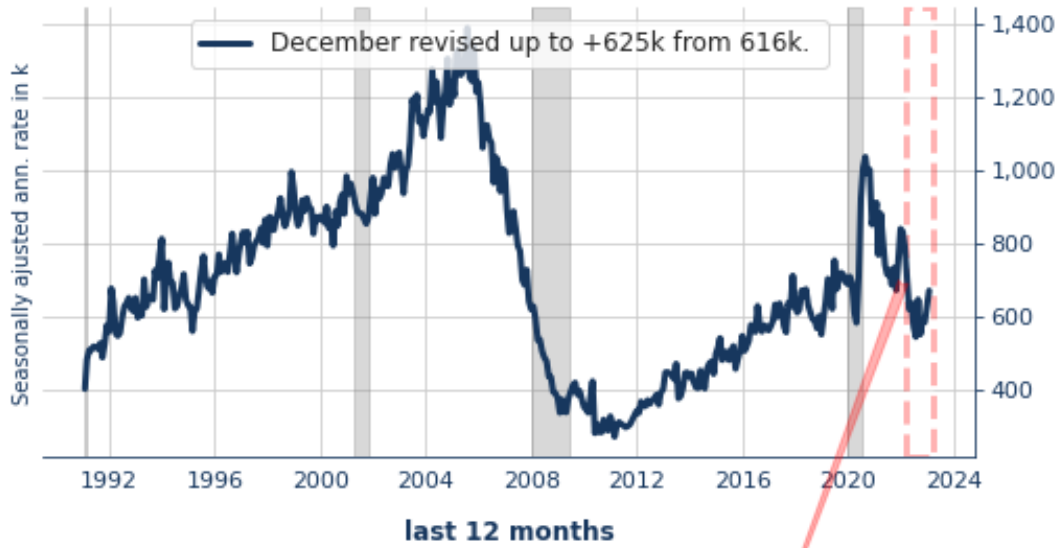
24.Feb.2023

## **New Home Sales: Stronger On Big Discounts**

**Bottom Line:** New home sales in January were slightly better than expected, as builders discounted homes sharply. Average and median prices fell 8 to 13% on the month. Anecdotal evidence suggests homebuilders have been offering discounts and buying down the mortgage rate for homebuyers, especially in the new "3-2-1" and "2-1" buydown structures. Sales for December were revised higher, but there were downward revisions to October and November data that more than offset that. The new home market remains modestly oversupplied, but demand is there at lower prices. Affordability remains an issue for most segments of the market. Months' supply dropped to just under eight months from over ten last year, so the market is slowly rebalancing. Residential investment will likely remain a drag on growth in the 1st Half of 2023, but its negative impact should be more muted.

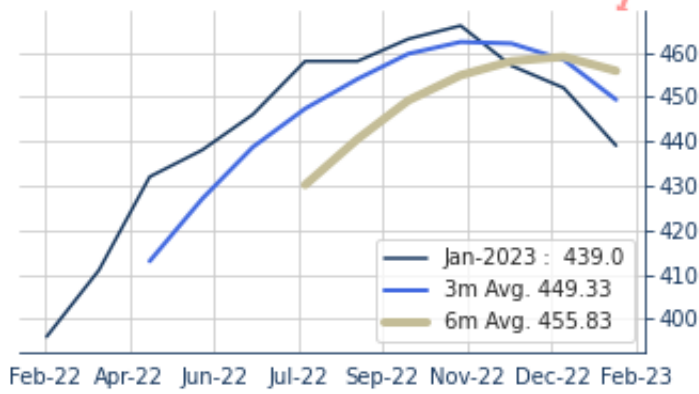
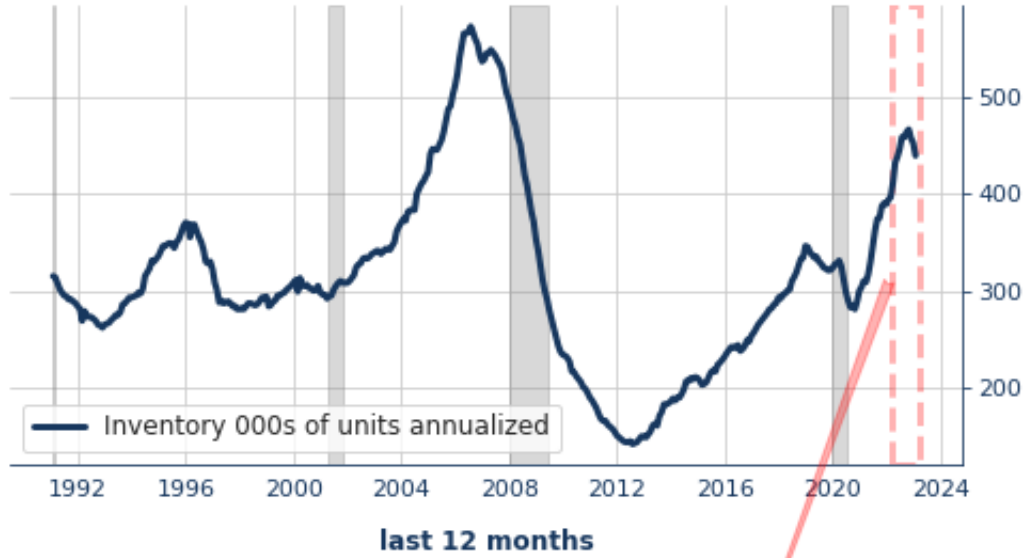
# US New Home Sales

January: 670k +45k, consensus: +620k



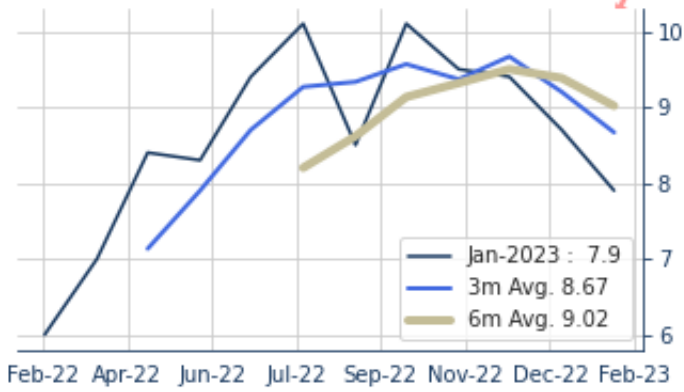
Contingent Macro Advisors 2023 source: US Census Bureau

## New Home Sales - Inventory



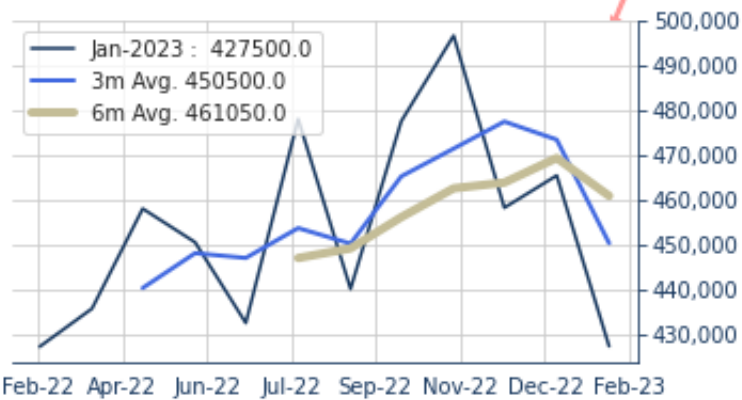
Contingent Macro Advisors 2023 source: US Census Bureau

# New Home Sales - Months Supply



Contingent Macro Advisors 2023 source: US Census Bureau

## New Home Sales - Median Price



Contingent Macro Advisors 2023 source: US Census Bureau

US New Home Sales	Jan-2023	Dec-2022	Nov-2022	Oct-2022	3-mo. Avg.	6-mo. Avg.	12-mo. Avg.	2022 Avg.	2021 Avg.	60-mo. Avg.
<b>New Home Sales</b>	<b>670.0</b>	<b>625.0</b>	<b>583.0</b>	<b>589.0</b>	<b>626.0</b>	<b>610.5</b>	<b>627.4</b>	<b>640.8</b>	<b>769.4</b>	<b>708.7</b>
<b>New Home Sales - % Chg.</b>	<b>7.2</b>	<b>7.2</b>	<b>-1.0</b>	<b>7.1</b>						
Inventory	439.0	452.0	457.0	466.0	449.3	455.8	443.0	439.2	349.4	349.8
Inventory - % Chg.	-2.9	-1.1	-1.9	0.6						
Months Supply	7.9	8.7	9.4	9.5	8.7	9.0	8.6	8.4	5.5	6.1
Months Supply Chg.	-0.8	-0.7	-0.1	-0.6						
Median Price in \$k	427.5	465.6	458.4	496.8	450.5	461.0	454.1	454.4	394.0	366.8
Median Price - % Chg.	-8.2	1.6	-7.7	4.0						
Avg. Price in \$k	474.4	544.2	523.6	543.3	514.1	524.4	525.1	527.3	452.8	425.9

Avg. Price - % Chg.	-12.8	3.9	-3.6	2.5						
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source: Census Bureau