

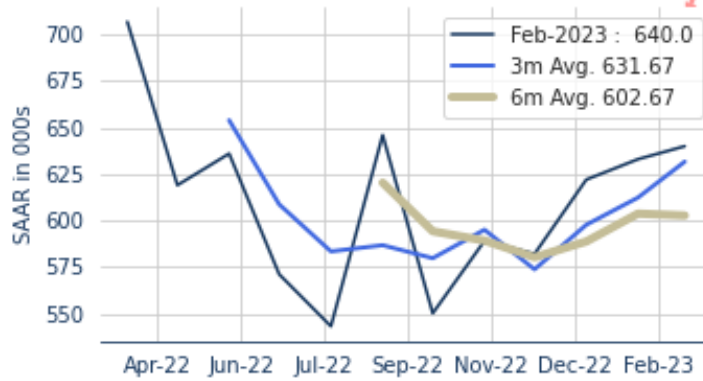
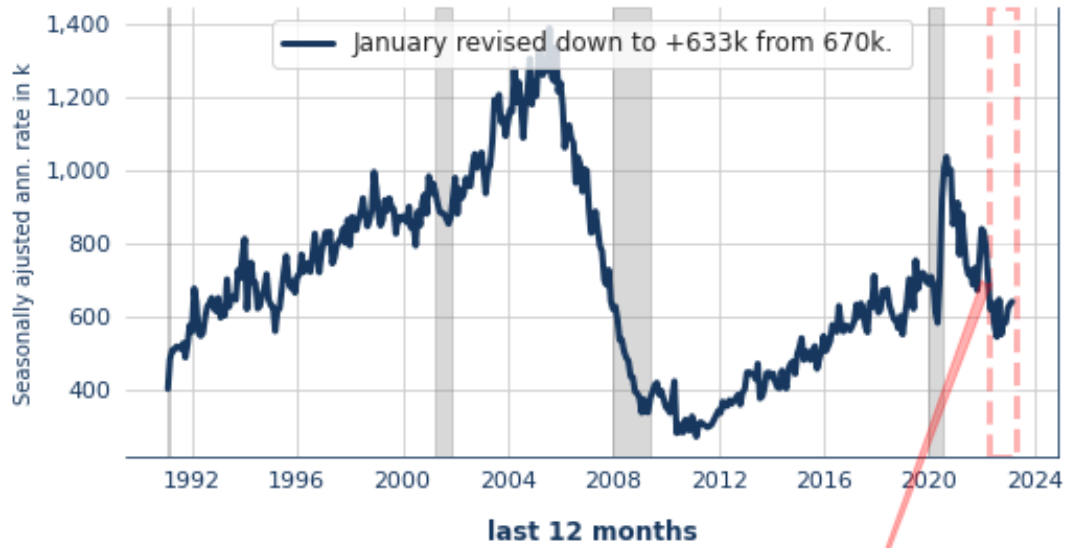
23.Mar.2023

New Home Sales: Muted But Bottoming

Bottom Line: New home sales in February were lower than expected, and there were downward revisions to January's surprisingly strong data. Average sale prices inched higher. Overall, new home sales bottomed in 3rd Quarter of 2022 and have been edging slightly higher since then. 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. The new home market remains modestly oversupplied, but demand is there at lower prices. Affordability remains an issue for most segments of the market. Residential investment will likely remain a drag on growth in the 1st Half of 2023, but its negative impact should be more muted.

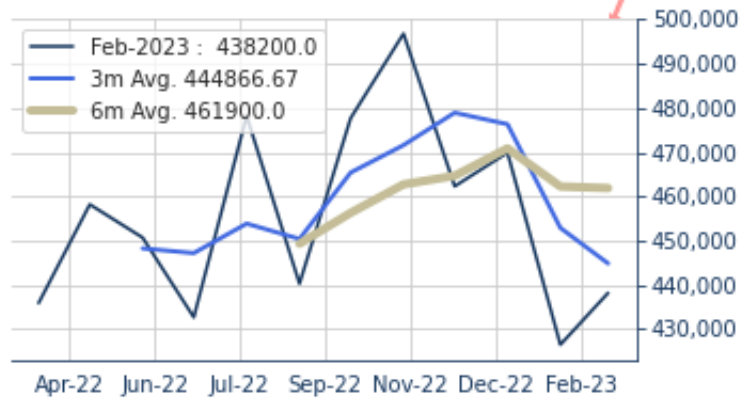
US New Home Sales

February: 640k +7k, consensus: +650k



Contingent Macro Advisors 2023 source: US Census Bureau

New Home Sales - Median Price



Contingent Macro Advisors 2023 source: US Census Bureau