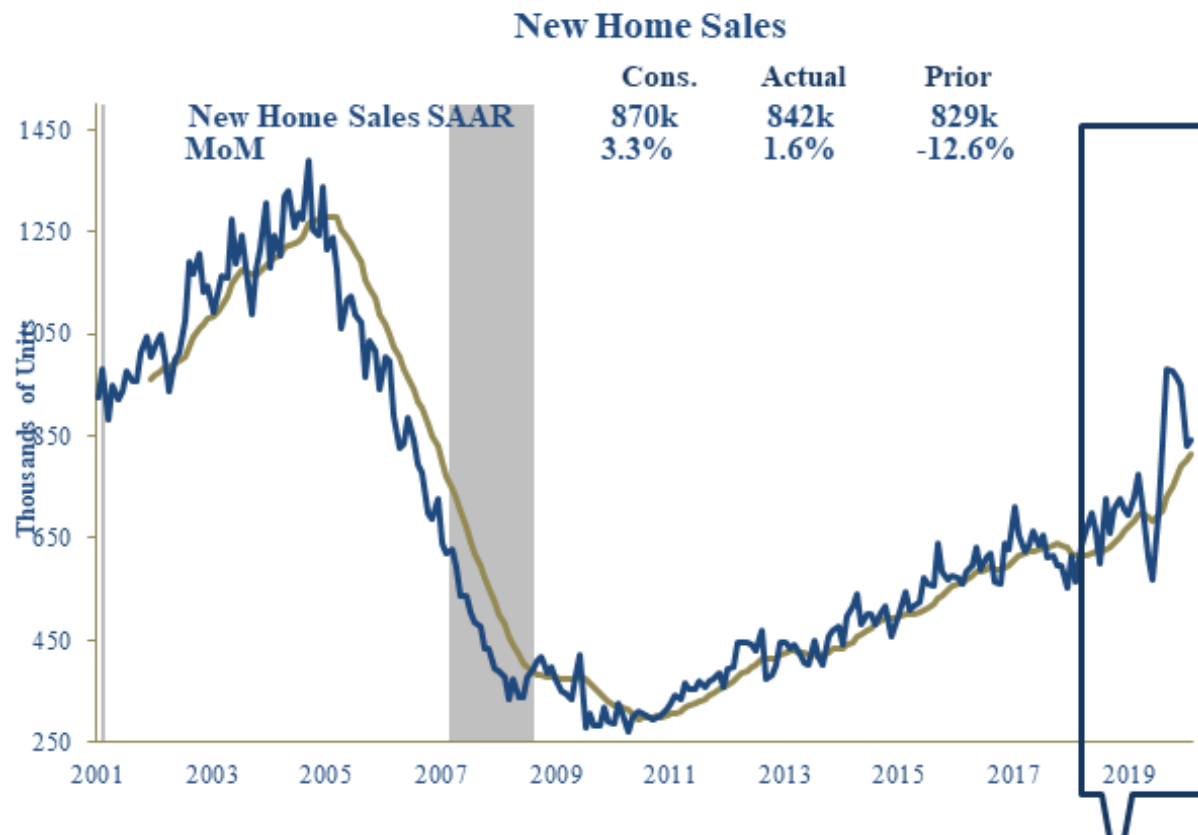
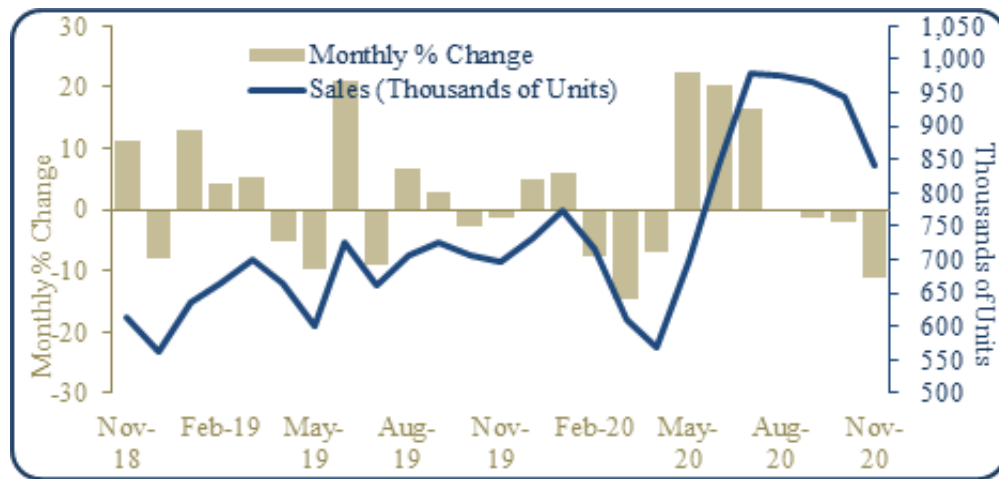


28.Jan.2021

New Home Sales: Slower to End 2020

Bottom Line: After a spike in activity, new home sales slowed but remained in an uptrend as 2020 closed. Unlike existing home sales, which can sustain longer surges in activity, new home sales take longer as permitting and construction need to adjust to demand. After solid gains from August through October, sales slowed in November and December, coming in below expectations with slightly negative revisions. Overall, though, the trend remains firmly higher. Sales are still stronger than at any time from 2007 until early 2020.



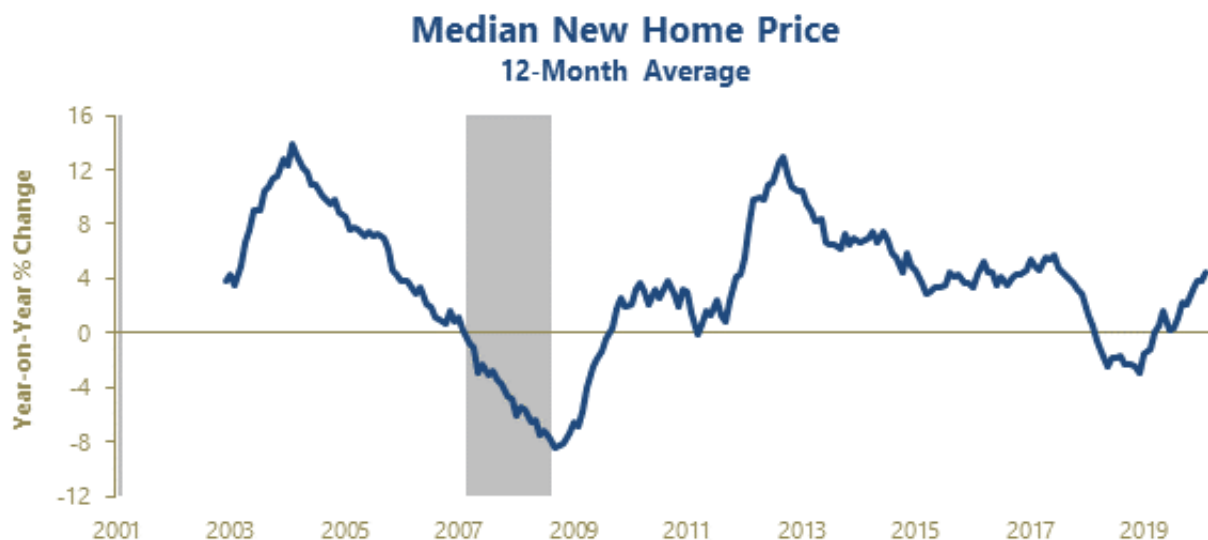


New Home Sales FELL by 11.0% to 841k, after the prior month was revised lower to 965k. Sales are now 20.8% ABOVE their year-ago level.

The Inventory of Homes Available for Sale ROSE by 1.8% to 286k. Inventories are now 11.2% BELOW their year-ago level.

Combined with the decline in sales, the **Months' Supply** increased to 4.1 months from 3.6 months. This is modestly BELOW a normal level of 6.0 months.

Home Prices ROSE with median prices 2.2% ABOVE their year-ago level and with average prices 1.5% ABOVE their year-ago level.



New Home Months' Supply



	Monthly <i>(thousands of units)</i>				Averages						
	Dec-20	Nov-20	Oct-20	Sep-20	Three Month	Six Month	Twelve Month	2018	2017	Five Year	Ten Year
New Home Sales	842	829	949	965	873	924	813	564	657	565	468
(percent change)	1.6	-12.6	-1.7	-1.2				-14.2	17.1		
Northeast (thousands)	31	33	38	37	34	38	36	27	35	32	29
(percent change)	-6.1	-13.2	2.7	-21.3				-22.9	-5.4		
Midwest (thousands)	94	72	102	96	89	98	89	63	65	65	58
(percent change)	30.6	-29.4	6.3	1.1				-3.1	-3.0		
South (thousands)	483	509	536	558	509	538	467	350	362	318	259
(percent change)	-5.1	-5.0	-3.9	-3.1				-3.3	21.9		
West (thousands)	234	215	273	274	241	250	220	124	195	150	121
(percent change)	8.8	-21.2	-0.4	5.8				-36.4	21.9		
Inventory (thousands)	302	290	285	287	292	290	305	346	293	267	225
Months' Supply	4.3	4.2	3.6	3.6	4.0	3.8	4.7	7.4	5.4	5.7	5.8
Median Sales Price (\$000)	355.9	343.9	345.5	344.4	348.4	340.8	333.5	323.1	321.6	305.6	269.5
(year-on-year percent change)	8.0	4.8	7.2	9.1	6.7	5.9	4.5	0.5	4.9		
Average Sales Price (\$000)	394.9	393.2	388.8	405.1	392.3	391.2	383.7	379.3	377.8	361.4	321.5
(year-on-year percent change)	4.6	2.3	2.2	8.9	3.0	2.9	1.8	0.4	5.2		

Source: Bureau of the Census via Bloomberg. Our calculations.

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January 28, 2021

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