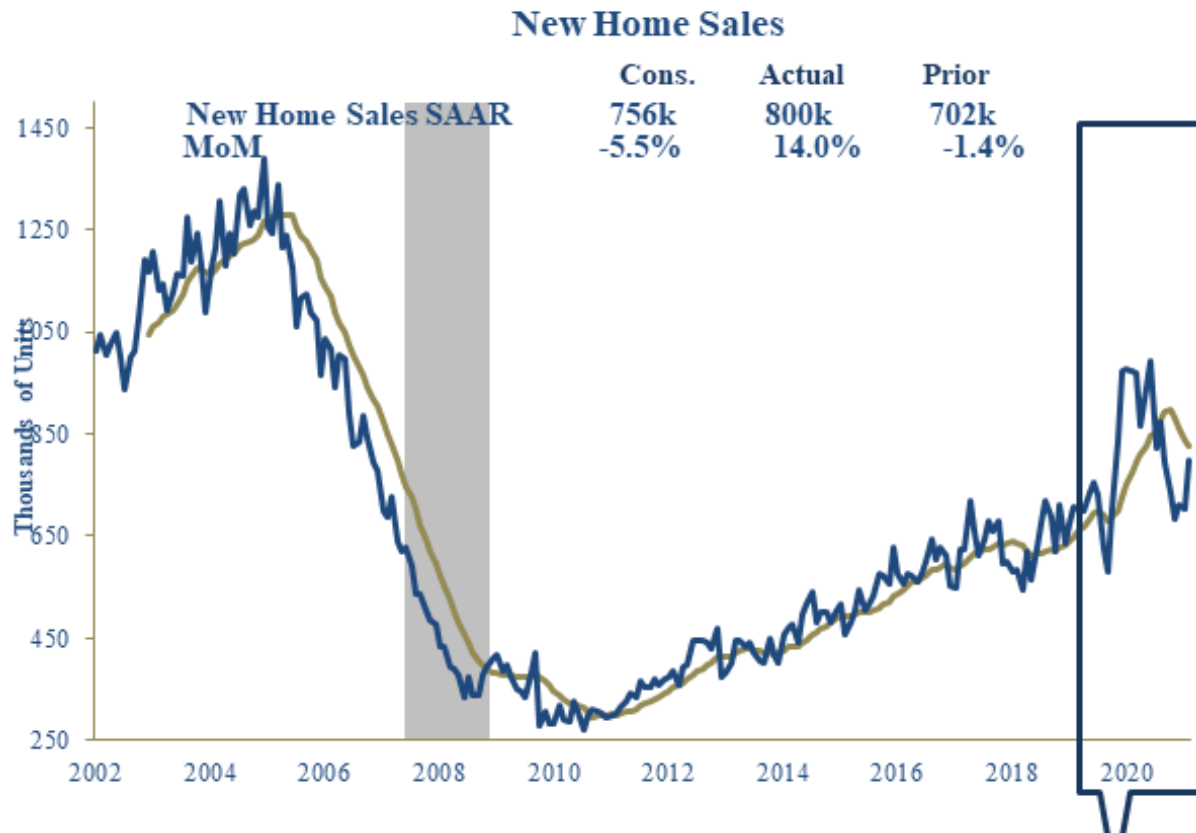
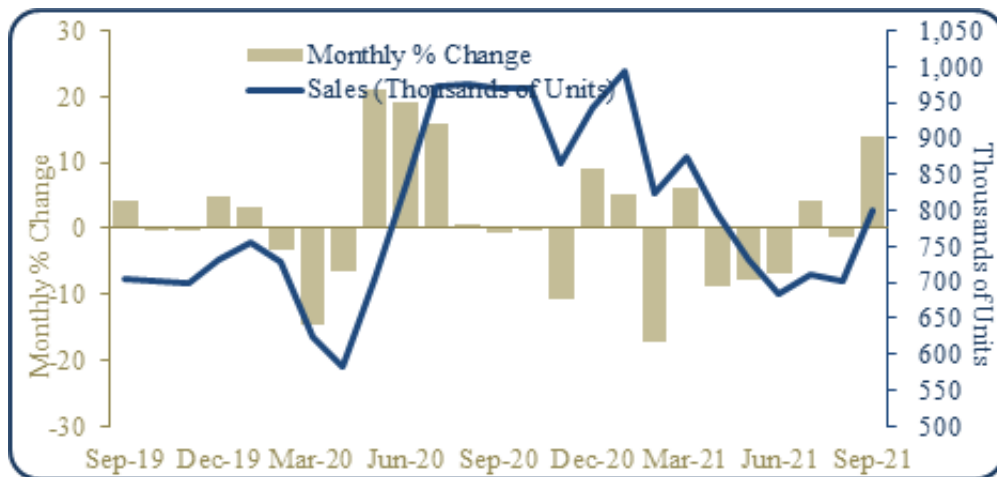


26.Oct.2021

New Home Sales: Swift Rebound

Bottom Line: New home sales rose more than expected for the third month in a row, accelerating sharply in September. At 800k, September's sales were the strongest since March but still well below the pace seen in the second half of 2020, when sales averaged a stunning 934k annualized units. While sales clearly topped early this year, they also appeared to have bottomed in June. These data largely confirm that housing has plateaued but is not necessarily heading lower. The pace of sales remains higher than at any point since the financial crisis.



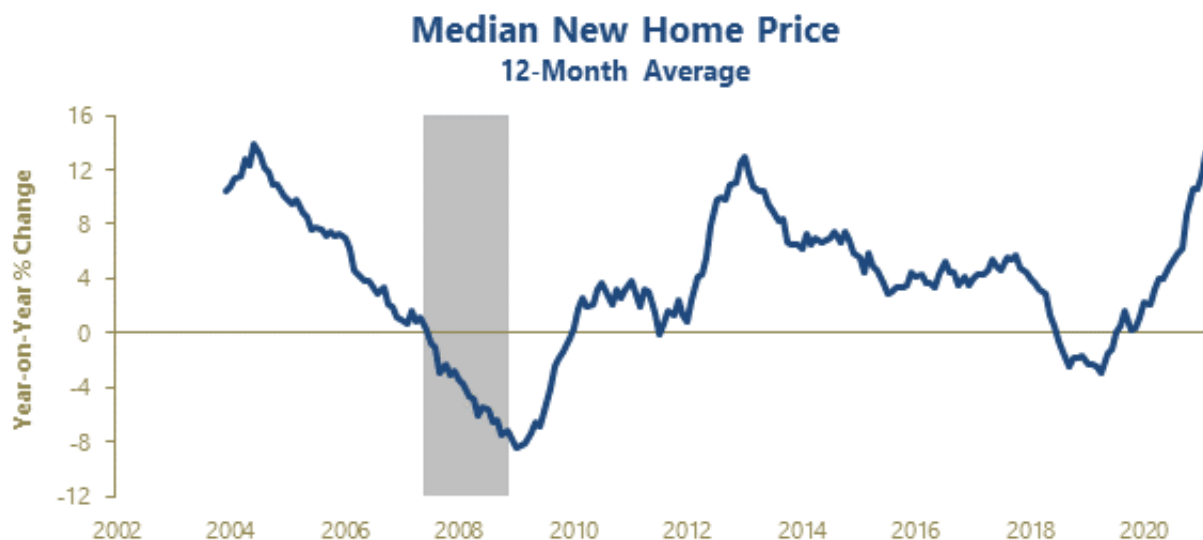


New Home Sales ROSE by 4.5% to 740k, after the prior month was revised lower to 708k. This compared with market expectations for an increase to 715k, from the unrevised July level of 708k. Sales are now 24.3% BELOW their year-ago level.

The Inventory of Homes Available for Sale ROSE by 3.3% to 378k. Inventories are now 32.2% ABOVE their year-ago.

Combined with the increase in sales, the **Months' Supply** increased to 6.1 months from 6.0 months. This is modestly ABOVE a normal level of 6.0 months.

Home Prices ROSE with median prices 20.1% ABOVE their year-ago level and with average prices 14.7% ABOVE their year-ago level.



New Home Months' Supply



	Monthly (thousands of units)				Averages						
	Sep-21	Aug-21	Jul-21	Jun-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
New Home Sales	800	702	712	683	738	738	824	943	733	692	568
(percent change)	14.0	-1.4	4.2	-6.8				28.6	29.5		
Northeast (thousands)	41	31	25	28	32	34	38	41	39	36	31
(percent change)	32.3	24.0	-10.7	-30.0				5.1	44.4		
Midwest (thousands)	64	65	77	96	69	82	96	112	83	78	69
(percent change)	-1.5	-15.6	-19.8	4.3				34.9	33.9		
South (thousands)	498	424	414	391	445	436	485	553	399	393	320
(percent change)	17.5	2.4	5.9	-5.1				38.6	13.4		
West (thousands)	197	182	196	168	192	186	205	237	212	186	148
(percent change)	8.2	-7.1	16.7	-11.1				11.8	69.6		
Inventory (thousands)	379	379	365	347	374	353	325	299	322	303	244
Months' Supply	5.7	6.5	6.2	6.1	6.1	5.8	4.9	3.8	5.3	5.4	5.2
Median Sales Price (\$000)	390.9	390.9	390.9	375.7	390.9	385.9	372.8	323.1	321.6	305.6	269.5
(year-on-year percent change)	13.5	20.1	18.5	10.1	17.3	17.7	13.6	0.5	4.9		
Average Sales Price (\$000)	443.2	443.2	448.7	432.9	445.0	441.4	423.4	379.3	377.8	361.4	321.5
(year-on-year percent change)	9.4	14.7	18.4	13.3	14.1	16.1	11.2	0.4	5.2		

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

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October 26, 2021

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