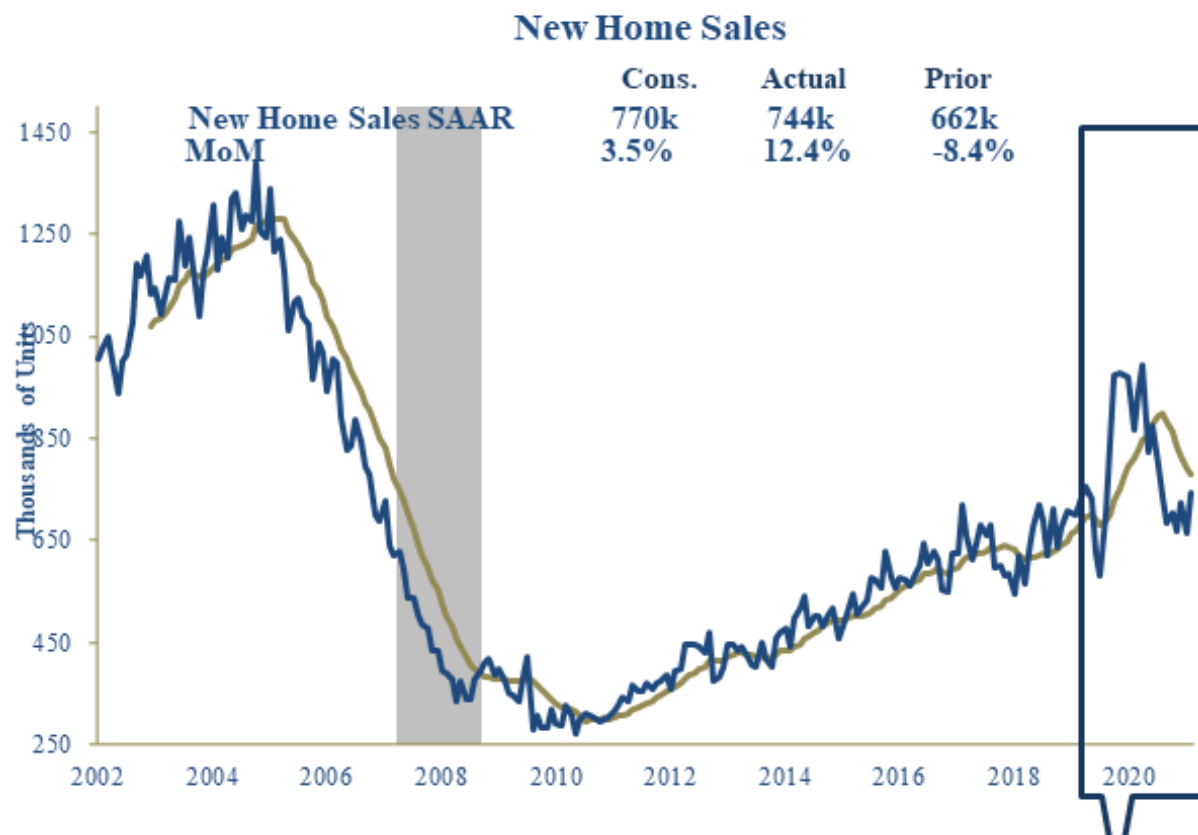
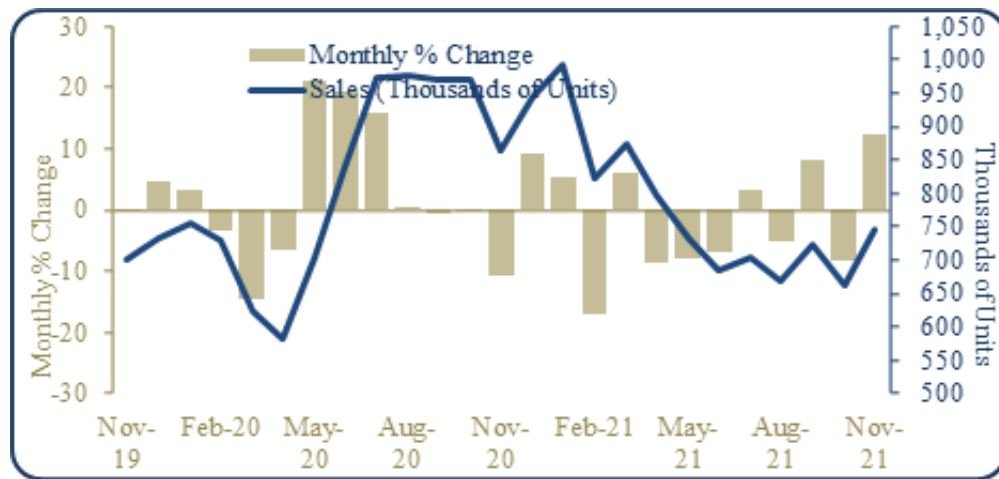


23.Dec.2021

New Home Sales: Another Sharp Downward Revision

Bottom Line: New home sales rose in November, but for the second month in a row there was a sharp negative revision to the prior month's data. Looking through the recent volatility and survey difficulties, the trend rate of new home sales has plateaued but remains historically elevated, if moderately below 2020 levels. Overall, the housing market remains tight, with existing home supply very tight and continued demand for single-family homes, even amid moderately higher mortgage rates.





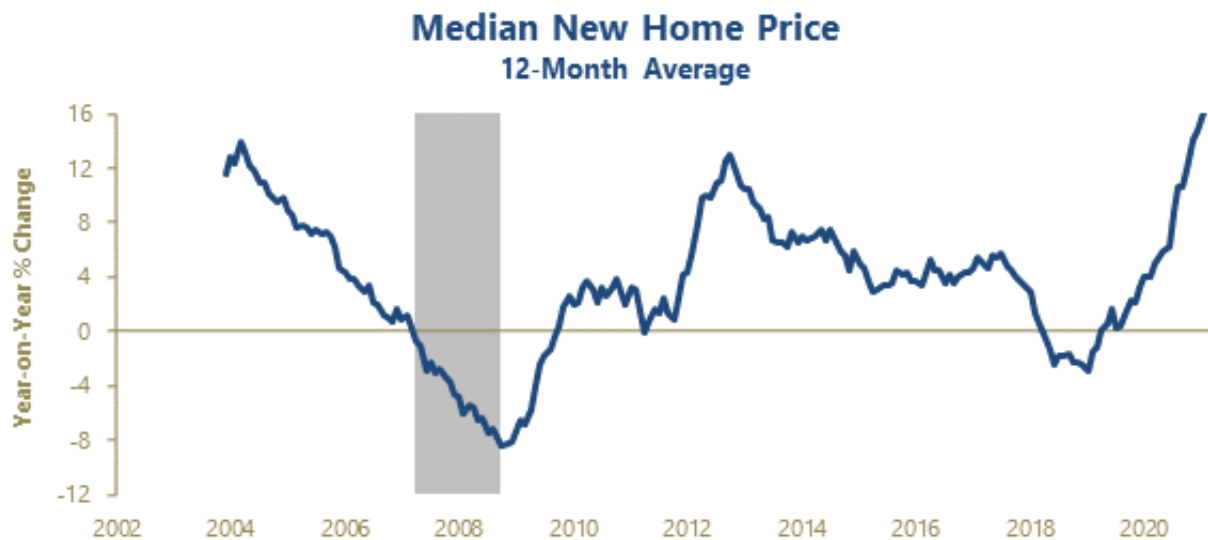
New Home Sales ROSE by 12.4% to 744k, after the prior month was revised lower to 662k. This compared with market expectations for an increase to 770k, from the unrevised October level of 745k.

Sales are now 14.0% BELOW their year-ago level.

The Inventory of Homes Available for Sale ROSE by 2.6% to 402k. Inventories are now 38.6% ABOVE their year-ago.

Combined with the increase in sales, the **Months' Supply** dropped to 6.5 months from 7.1 months. This is modestly ABOVE a normal level of 6.0 months.

Home Prices ROSE with median prices 18.8% ABOVE their year-ago level and with average prices 21.6% ABOVE their year-ago level.



New Home Months' Supply



	Monthly <i>(thousands of units)</i>				Averages						
	Nov-21	Oct-21	Sep-21	Aug-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
New Home Sales	744	662	723	668	710	697	779	943	733	692	568
(percent change)	12.4	-8.4	8.2	-5.1				28.6	29.5		
Northeast (thousands)	37	32	33	31	34	31	37	41	39	36	31
(percent change)	15.6	-3.0	6.5	14.8				5.1	44.4		
Midwest (thousands)	53	71	70	59	65	70	88	112	83	78	69
(percent change)	-25.4	1.4	18.6	-15.7				34.9	33.9		
South (thousands)	412	401	441	409	418	412	458	553	399	393	320
(percent change)	2.7	-9.1	7.8	-1.4				38.6	13.4		
West (thousands)	242	158	179	169	193	185	195	237	212	186	148
(percent change)	53.2	-11.7	5.9	-12.0				11.8	69.6		
Inventory (thousands)	402	392	380	378	391	377	344	299	322	303	244
Months' Supply	6.5	7.1	6.3	6.8	6.6	6.5	5.4	3.8	5.3	5.4	5.2
Median Sales Price (\$000)	416.9	408.7	405.3	404.3	410.3	402.7	386.9	323.1	321.6	305.6	269.5
(year-on-year percent change)	18.8	17.8	17.7	24.2	18.1	18.5	16.5	0.5	4.9		
Average Sales Price (\$000)	481.7	478.2	461.8	470.0	473.9	464.3	442.4	379.3	377.8	361.4	321.5
(year-on-year percent change)	21.6	21.2	14.0	21.7	18.9	18.9	15.5	0.4	5.2		

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

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T.J. Connelly, Head of Research

December 23, 2021

Steven A. Wood, Senior Economic Adviser