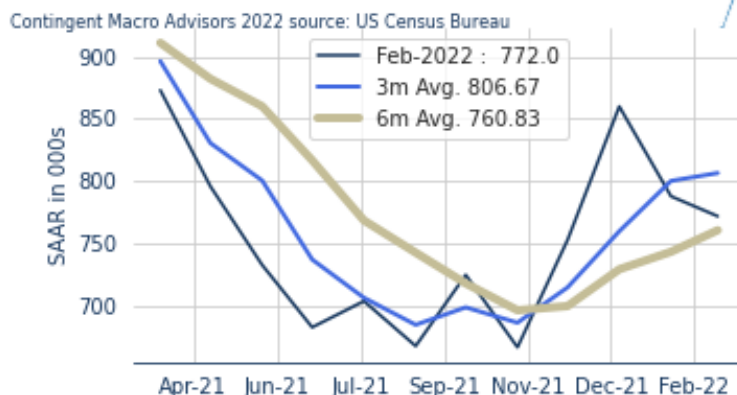


23.Mar.2022

## **New Home Sales: Lower Amid Higher Mortgage Rates**

**Bottom Line:** New home sales fell in February as mortgage rates started to rise sharply. Moreover, the Census Bureau revised lower sales for January. While sales were still above the levels seen from June to October of 2021, the trend shifted back to mixed after the rebound late last year. Inventories continued to move higher with months' supply pushing above 6 months, historically a balanced level. Median prices remained higher relative to year-ago levels but were sideways for the prior three to four months. Overall, new home sales remain historically robust, but the trend rate of gains has plateaued and looks to be turning modestly lower amid sharply higher mortgage rates.

## US New Home Sales February: 772k -16k consensus: +810k

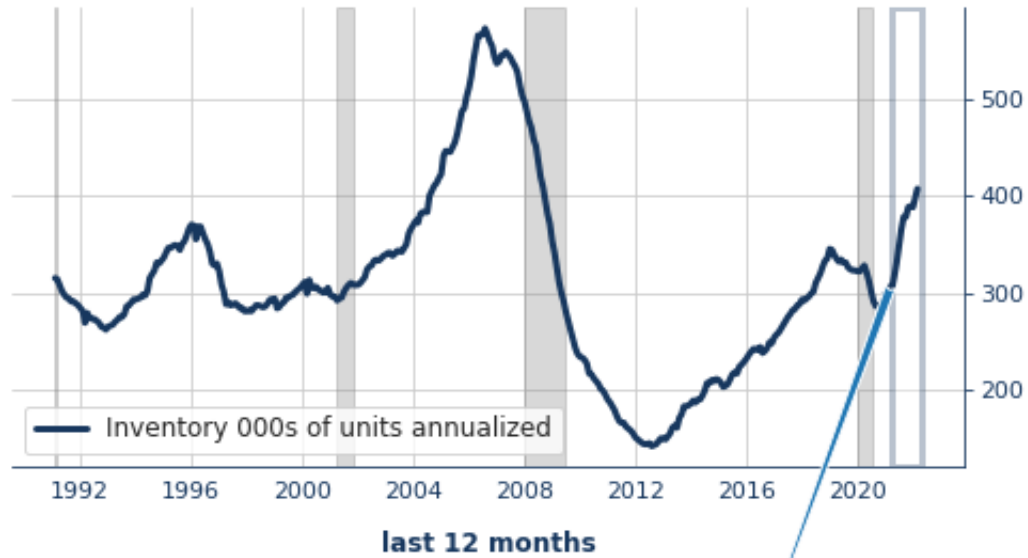


**New Home Sales** FELL by 2.0% to 772k, after the prior month was revised higher to 839k. This compared with market expectations for an increase to 810k, from the unrevised January level of 801k. Sales are now 6.2% BELOW their year-ago level.

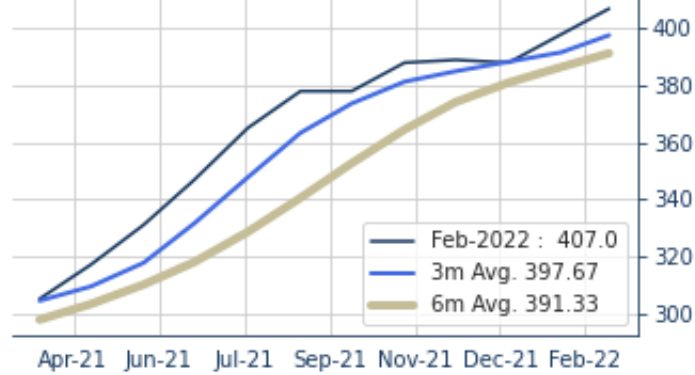
**The Inventory of Homes Available for Sale** ROSE by 2.3% to 407k. Inventories are now 33.0% ABOVE their year-ago. Combined with the decline in sales, the **Months' Supply** increased to 6.3 months from 6.1 months. This is modestly ABOVE a normal level of 6.0 months.

**Home Prices** ROSE with median prices 10.7% ABOVE their year-ago level and with average prices 25.4% ABOVE their year-ago level.

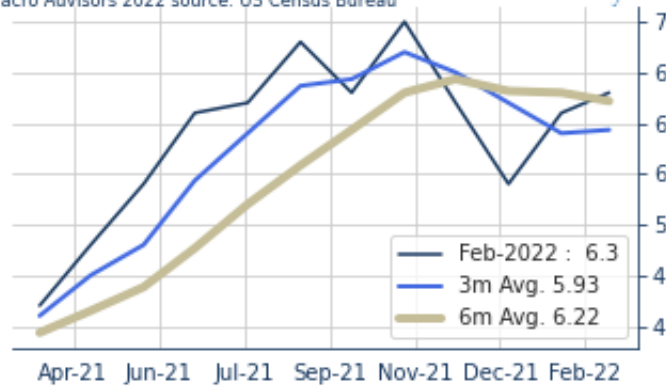
## New Home Sales - Inventory



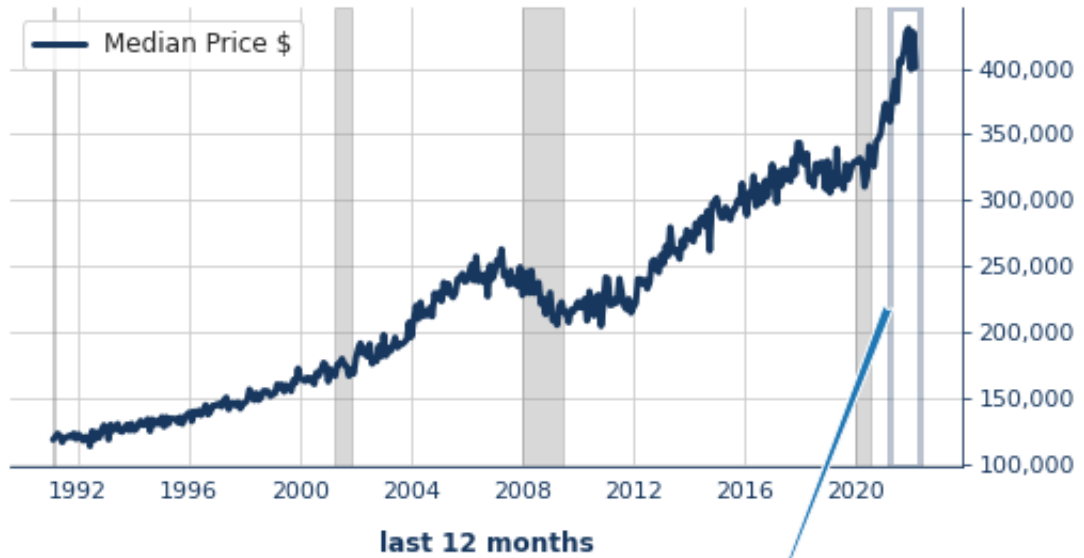
Contingent Macro Advisors 2022 source: US Census Bureau



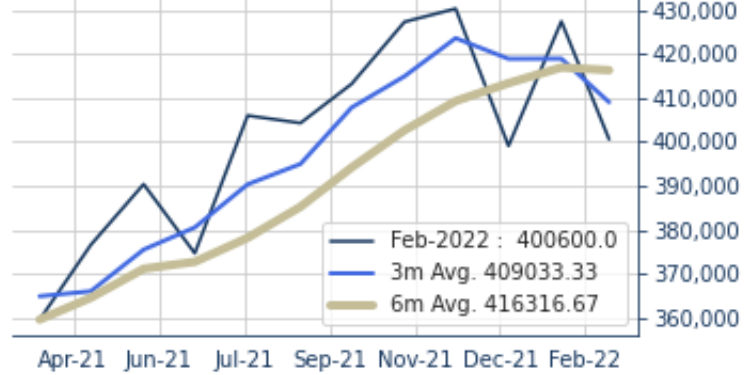
## New Home Sales - Months Supply



## New Home Sales - Median Price



Contingent Macro Advisors 2022 source: US Census Bureau



US New Home Sales	Feb-2022	Jan-2022	Dec-2021	Nov-2021	3-mo. Avg.	6-mo. Avg.	12-mo. Avg.	2021 Avg.	2020 Avg.	60-mo. Avg.
<b>New Home Sales</b>	<b>772.0</b>	<b>788.0</b>	<b>860.0</b>	<b>753.0</b>	<b>806.7</b>	<b>760.8</b>	<b>751.8</b>	<b>773.2</b>	<b>827.6</b>	<b>709.1</b>
<b>New Home Sales - % Chg.</b>	<b>-2.0</b>	<b>-8.4</b>	<b>14.2</b>	<b>12.9</b>						
Inventory	407.0	398.0	388.0	389.0	397.7	391.3	365.9	349.5	303.8	319.4
Inventory - % Chg.	2.3	2.6	-0.3	0.3						
Months Supply	6.3	6.1	5.4	6.2	5.9	6.2	5.9	5.5	4.6	5.5
Months Supply Chg.	0.2	0.7	-0.8	-0.8						
Median Price in \$k	400.6	427.4	399.1	430.3	409.0	416.3	400.8	393.1	335.0	342.0
Median Price - % Chg.	-6.3	7.1	-7.3	0.7						
Avg. Price in \$k	511.0	494.0	483.3	498.8	496.1	490.9	467.0	452.1	385.0	398.9

Avg. Price - % Chg.	3.4	2.2	-3.1	2.3						
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source: Census Bureau