

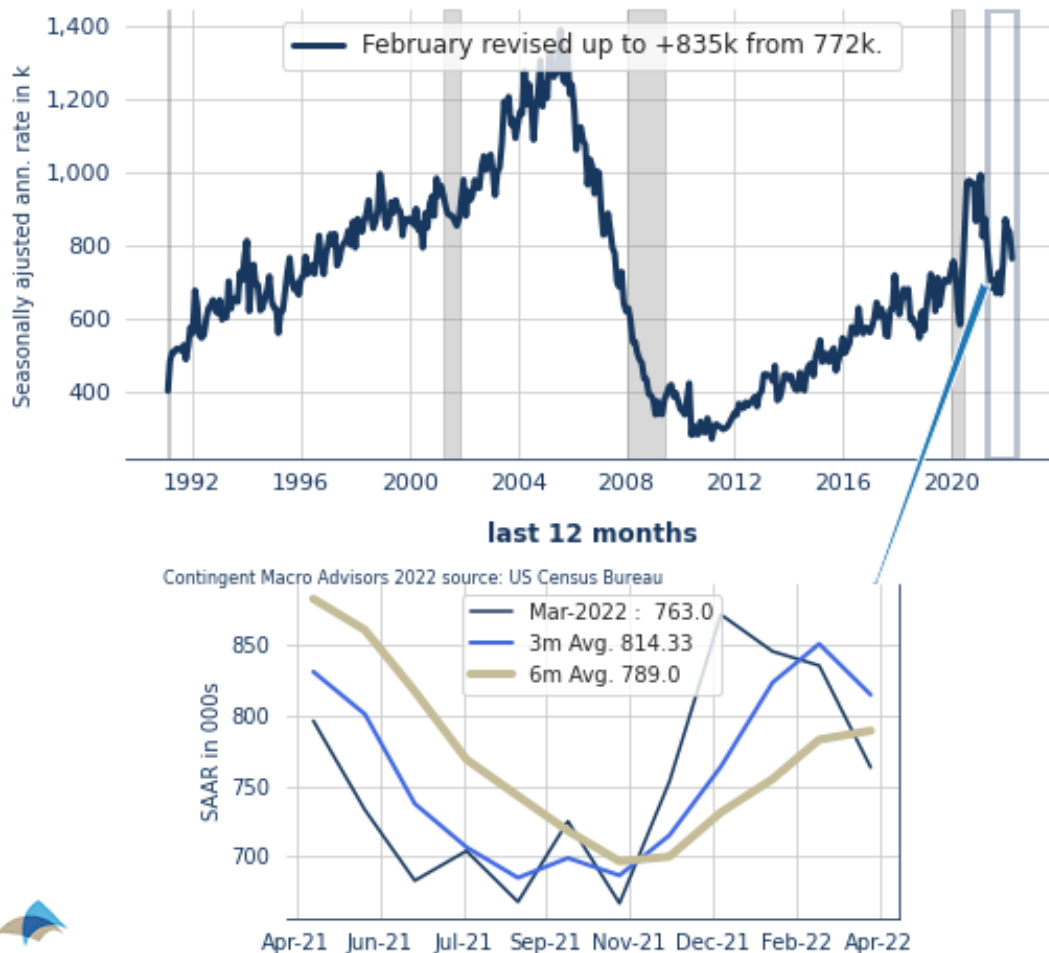
26.Apr.2022

New Home Sales: Lower Amid Higher Mortgage Rates

Bottom Line: New home sales fell sharply in March as mortgage rates hampered affordability. But sales in January and February were revised sharply higher. The net of the revisions was surprisingly strong, confirming that the housing market remained very tight even as mortgage rates accelerated higher. Through the 1st Quarter, sales proved resilient to higher rates, and prices continued to move higher. That said, inventory levels of new home sales were trend higher, back over six months, historically a balanced level. Overall, new home sales remain robust, but the trend rate of gains has plateaued amid sharply higher mortgage rates.

US New Home Sales

March: 763k -72k
consensus: +768k



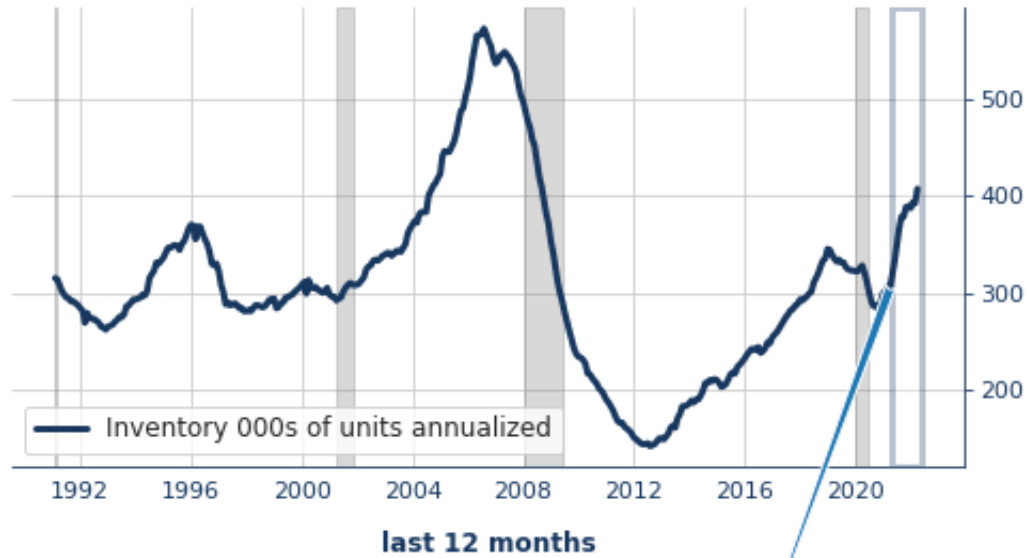
New Home Sales FELL by 8.6% to 763k, after the prior month was revised higher to 839k. This compared with market expectations for a decline to 768k, from the unrevised February level of 772k.

Sales are now 12.6% BELOW their year-ago level. **The Inventory of Homes Available for Sale** ROSE by 3.8% to 407k. Inventories are now 33.4% ABOVE their year-ago.

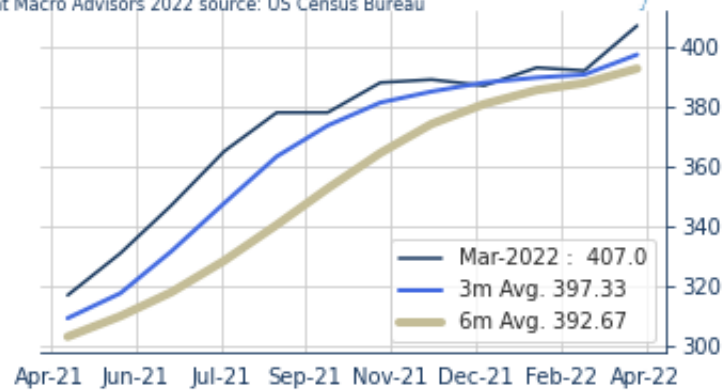
Combined with the decline in sales, the **Months' Supply** increased to 6.4 months from 5.6 months. This is modestly ABOVE a normal level of 6.0 months.

Home Prices ROSE with median prices 21.4% ABOVE their year-ago level and with average prices 26.3% ABOVE their year-ago level.

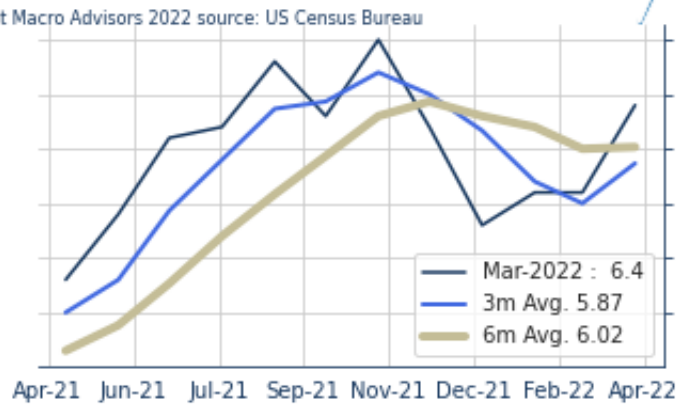
New Home Sales - Inventory



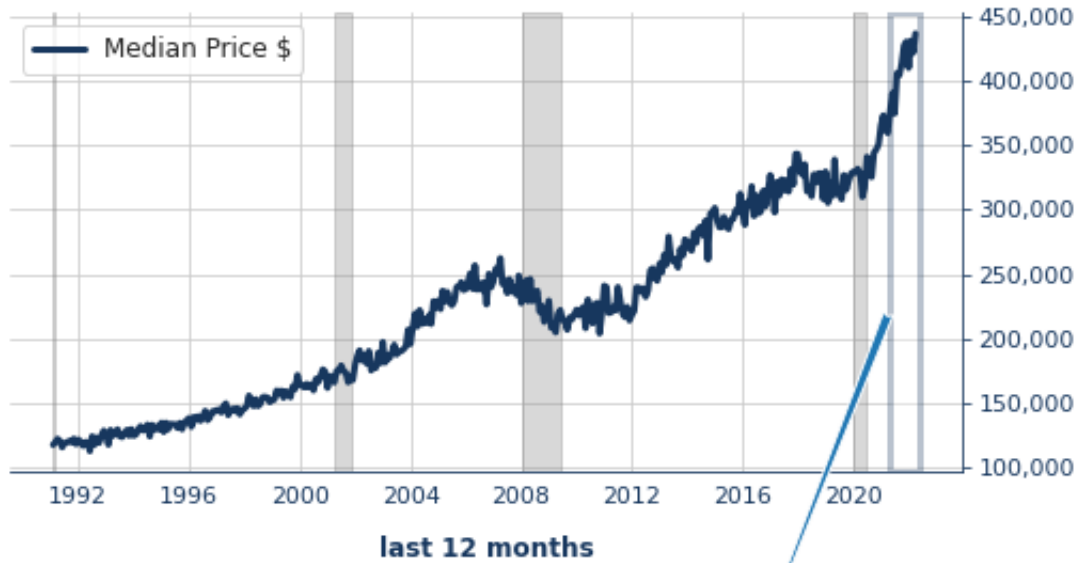
Contingent Macro Advisors 2022 source: US Census Bureau



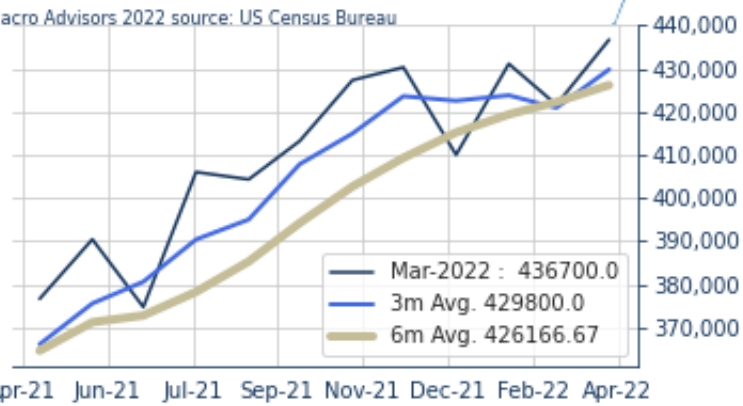
New Home Sales - Months Supply



New Home Sales - Median Price



Contingent Macro Advisors 2022 source: US Census Bureau



US New Home Sales	Mar-2022	Feb-2022	Jan-2022	Dec-2021	3-mo. Avg.	6-mo. Avg.	12-mo. Avg.	2021 Avg.	2020 Avg.	60-mo. Avg.
New Home Sales	763.0	835.0	845.0	871.0	814.3	789.0	753.6	774.1	827.6	713.3
New Home Sales - % Chg.	-8.6	-1.2	-3.0	15.7						
Inventory	407.0	392.0	393.0	387.0	397.3	392.7	372.7	349.4	303.8	321.4
Inventory - % Chg.	3.8	-0.3	1.6	-0.5						
Months Supply	6.4	5.6	5.6	5.3	5.9	6.0	6.0	5.5	4.6	5.5
Months Supply Chg.	0.8	0.0	0.3	-0.9						
Median Price in \$k	436.7	421.6	431.1	410.0	429.8	426.2	410.2	394.0	335.0	344.5
Median Price - % Chg.	3.6	-2.2	5.1	-4.7						
Avg. Price in \$k	523.9	508.1	499.6	491.0	510.5	501.5	477.0	452.8	385.0	401.4

Avg. Price - % Chg.	3.1	1.7	1.8	-1.6						
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source: Census Bureau