

23.Aug.2023

New Home Sales: Solid Trend Before Mortgage Rates Accelerated

Bottom Line: New home sales rose in July but were revised lower in June. On a trend basis, sales are rising modestly. Inventories are rising slightly but not keeping pace with the increase in sales, with months' supply falling to 7.3 months. Median home prices rose slightly for the first time since the 1st Quarter. Overall, new home sales continued to rise as demand remained strong enough to outweigh lower affordability due to higher mortgage rates. That said, these July data only reflect some of the increase in mortgage rates, which accelerated higher in August.

US New Home Sales

July: 714k +30k, consensus: +703k



Contingent Macro Advisors 2023 source: US Census Bureau

New Home Sales - Inventory - 500 - 400 - 300 200 Inventory 000s of units annualized 1992 1996 2000 2004 2008 2012 2016 2020 2024 last 12 months Jul-2023: 437.0 3m Avg. 430.33 460 6m Avg. 431.83 450 440

Sep-22 Nov-22 Dec-22 Feb-23 Apr-23 May-23 Jul-23

430

Contingent Macro Advisors 2023 source: US Census Bureau

New Home Sales - Months Supply Months Supply (inventory/sales) - 12 10 8 6 1992 1996 2000 2004 2008 2012 2016 2020 2024 last 12 months Jul-2023: 7.3 9.50 3m Avg. 7.37 6m Avg. 7.7 9.00 8.50

8.00

7.50

Contingent Macro Advisors 2023 source: US Census Bureau

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