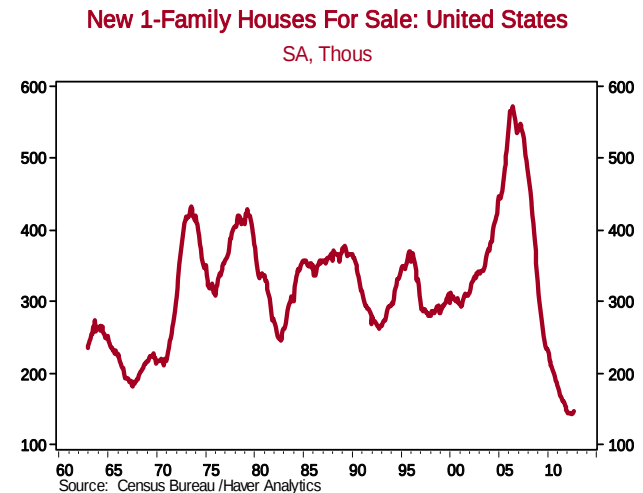
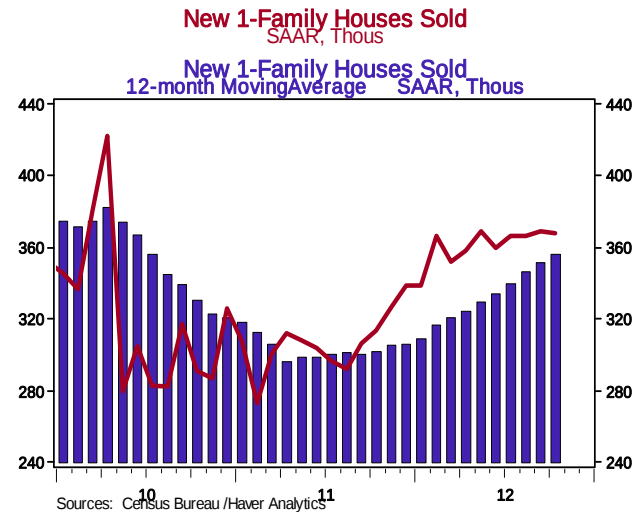


October New Home Sales

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- New single-family home sales declined 0.3% in October, to a 368,000 annual rate, coming in well below the consensus expected pace of 390,000. Sales are up 17.2% from a year ago.
- Sales were down in the Northeast and South but up in the Midwest and West.
- The months' supply of new homes (how long it would take to sell the homes in inventory) rose to 4.8. The increase was mainly due to a slower selling pace, although inventories of new homes rose 2,000 units.
- The median price of new homes sold was \$237,700 in October, up 5.7% from a year ago. The average price of new homes sold was \$278,900, up 8.0% versus last year.

Implications: New home sales dipped in October but are still in a general rising trend. Although new home sales fell 0.3% in October, and were revised down for last month, they still remain near the highest levels since April 2010. Sales are up 17.2% from a year ago. Meanwhile, as the lower chart to the right shows, overall inventories remain close to record lows. Although the months' supply of new homes rose to 4.8, it remains near the lowest levels since 2005, well below the average of 5.7 over the past 20 years and not much above the 4.0 months that prevailed in 1998-2004, during the housing boom. The slight increase in new home inventories was mostly due to a rise in homes not started. Completed homes also added to inventories. The median price of a new home fell 4.2% in October, but still remains up 5.7% from a year ago, consistent with the positive year over year increases we have been seeing from other house price indices. Not only are prices up, but the median number of months a new home sits on the market before being purchased is now down to 5.9 months from 7.2 just one year ago. This is the lowest level in five years and shows demand is picking up. The road ahead for housing may be bumpy from time to time, but it looks better than it has in years. Look for housing to continue to move higher in 2013.



New Home Sales		Oct-12		Sep-12	Aug-12	3-mo	6-mo	Yr to Yr
All Data Seasonally Adjusted, Levels in Thousands		% Ch	Level			moving avg	moving avg	% Change
New Single Family Homes Sales		-0.3%	368	369	366	368	366	17.2
Northeast		-32.3%	21	31	26	26	26	10.5
Midwest		62.2%	60	37	55	51	51	17.6
South		-11.6%	176	199	178	184	185	9.3
West		8.8%	111	102	107	107	105	33.7
Median Sales Price (\$, NSA)		-4.2%	237,700	248,000	254,000	246,567	241,483	5.7
			Oct-12	Sep-12	Aug-12	3-mo Avg	6-mo Avg	12-mo Avg
Months' Supply at Current Sales Rate (Levels)			4.8	4.7	4.7	4.7	4.7	5.0

Source: Bureau of the Census