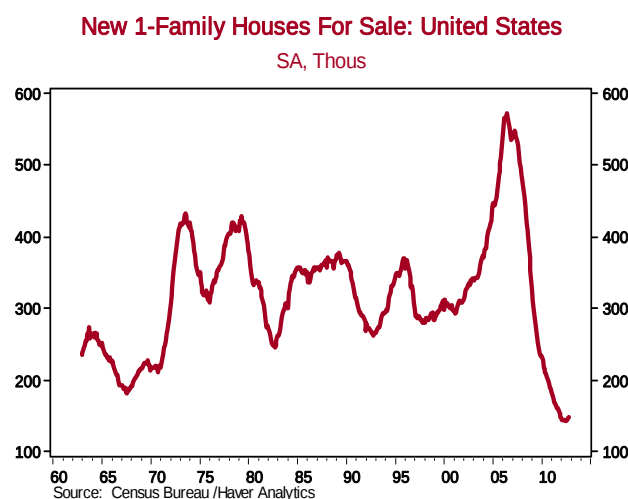
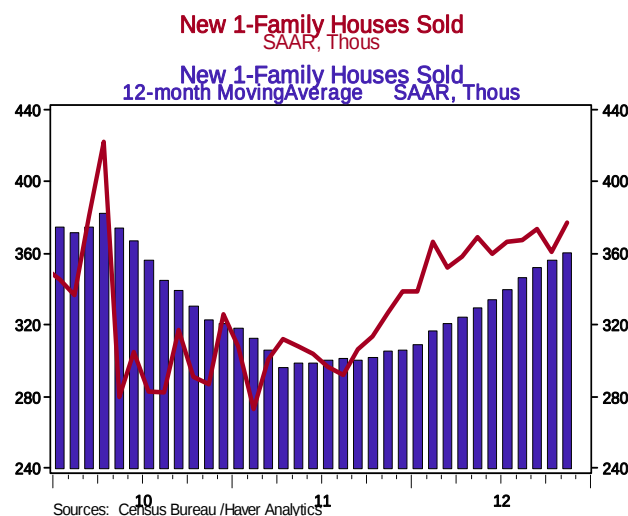


November New Home Sales

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- New single-family home sales rose 4.4% in November, to a 377,000 annual rate, very close to the consensus expected pace of 380,000. Sales are up 15.3% from a year ago.
- Sales were up in the South and Northeast, but down in the West and Midwest.
- The months' supply of new homes (how long it would take to sell the homes in inventory) fell to 4.7. The decline was all due to a faster selling pace. Inventories of new homes rose 2,000 units.
- The median price of new homes sold was \$246,200 in November, up 14.9% from a year ago. The average price of new homes sold was \$299,700, up 19.9% versus last year.

Implications: New home sales, which typically are the *last* piece of the housing puzzle to recover, rose 4.4% in November and are up 15.3% from a year ago. Meanwhile, as the lower chart to the right shows, although overall inventories remain close to record lows, inventories have risen for three consecutive months as builders are getting more confident in the recovery. Despite the recent upturn in inventories, the faster pace of sales drove the months' supply of new homes down to 4.7, tying the lowest level since 2005. This is 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 median price of a new home is up 14.9% from a year ago, consistent with the positive year over year increases we have been seeing from other home price indices. In other news this morning, new claims for unemployment insurance declined 12,000 last week to 350,000. However, due to the extra federal holiday on December 24, many states estimated claims, making this week's data less reliable than usual. Continuing claims for regular state benefits declined 32,000 to 3.21 million. Claims data and other figures suggest payrolls will be up about 155,000 for December while the jobless rate stays at 7.7%. (These forecasts may change based on next week's ADP, Intuit, and claims reports.) In other recent housing news, the Case-Shiller index, which measures prices in the 20 largest metro areas around the country, increased 0.7% in October (seasonally-adjusted) and is up 4.3% from a year ago. Since the bottom in January, prices are up at a 7.3% annual rate. Recent price gains have been led by Atlanta, Las Vegas, San Diego, and Phoenix. In the factory sector, the Richmond Fed index, which measures manufacturing sentiment in the mid-Atlantic, came in at +5 in December versus +9 in November.



New Home Sales	Nov-12		Oct-12	Sep-12	3-mo	6-mo	Yr to Yr
<i>All Data Seasonally Adjusted, Levels in Thousands</i>	% Ch	Level			moving avg	moving avg	% Change
New Single Family Homes Sales	4.4%	377	361	374	371	368	15.3
Northeast	12.5%	27	24	33	28	26	68.8
Midwest	-12.5%	49	56	37	47	50	-5.8
South	21.1%	218	180	208	202	193	17.2
West	-17.8%	83	101	96	93	99	13.7
Median Sales Price (\$, NSA)	3.7%	246,200	237,500	252,100	245,267	243,167	14.9
		Nov-12	Oct-12	Sep-12	3-mo Avg	6-mo Avg	12-mo Avg
Months' Supply at Current Sales Rate (Levels)		4.7	4.9	4.7	4.8	4.8	4.9

Source: Bureau of the Census