

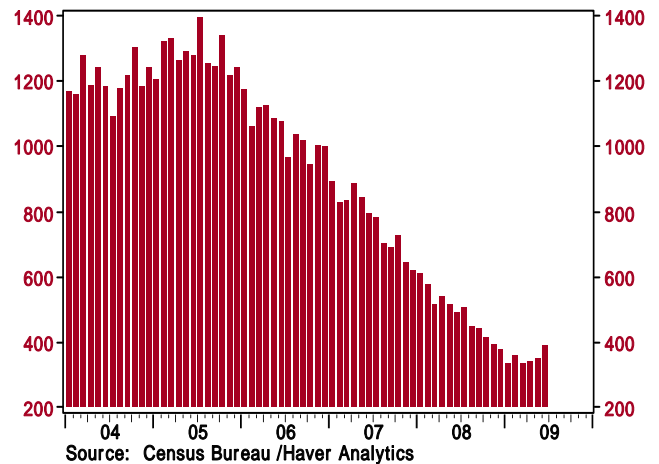
# JUNE NEW HOME SALES

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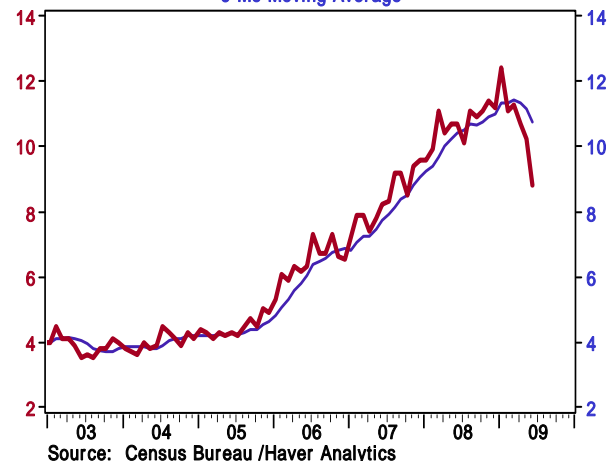
- New single-family home sales increased 11.0% in June to a 384,000 annual rate, easily beating the consensus expected selling pace of 352,000.
- Sales were up in the Northeast, Midwest, and West, but down in the South.
- At the current sales pace, the supply of unsold new homes fell to 8.8 months in June from 10.2 in May. The decline in the months' supply was due to both the faster pace of sales and a continued decline in the inventory of unsold new homes. Inventories fell to 281,000 in June, down 50.9% from the peak in mid-2006, and the lowest since 1993.
- The median price of new homes sold was \$206,200 in June, down 12.0% versus a year ago. The average price of new homes sold was \$276,900, down 7.5% versus last year.

**Implications:** New home sales increased 11% in June, the largest one-month increase in almost nine years. At a 384,000 annual rate, sales blew away the consensus expected pace, coming in higher than *any* of the 63 economists who made a forecast. After bottoming in January, new and existing home sales are up 17% and 9%, respectively. Despite the recent increase, new home sales are still well below their long-term trend of about 950,000 per year, suggesting sales will continue to move up substantially over the next few years. As good as the sales data were, the inventory figures were even better, boding well for increases in home construction starting later this year. Back in January the months' supply of new homes was 12.4; now it's down to 8.8. The number of new home homes for sale is less than half of the inventory peak in 2006 and the number of unsold new homes under construction has not been lower in about four decades. Falling home inventories and rising home sales are an important part of the V-shaped recovery the US has been in since earlier this summer.

New 1-Family Houses Sold: United States  
SAAR, Thous



Months' Supply at current Sales Rate  
Seasonally Adjusted  
Months' Supply at current Sales Rate  
6-Mo Moving Average



New Home Sales	Jun-09		May-09	Apr-09	3-mo moving avg	6-mo moving avg	Yr to Yr % Change
	% Ch	Level					
<i>All Data Seasonally Adjusted, Levels in Thousands</i>							
<b>New Single Family Homes Sales</b>	11.0%	384	346	338	356	347	-21.3
<b>Northeast</b>	29.2%	31	24	22	26	26	-11.4
<b>Midwest</b>	43.1%	73	51	41	55	52	5.8
<b>South</b>	-5.3%	177	187	198	187	191	-34.4
<b>West</b>	22.6%	103	84	77	88	79	-9.6
<b>Median Sales Price (\$, NSA)</b>	-5.8%	206,200	219,000	217,100	214,100	210,950	-12.0
		<b>Jun-09</b>	<b>May-09</b>	<b>Apr-09</b>	<b>3-mo Avg</b>	<b>6-mo Avg</b>	<b>12-mo Avg</b>
<b>Months' Supply at Current Sales Rate (Levels)</b>		8.8	10.2	10.7	9.9	10.8	10.9

Source: Bureau of the Census