

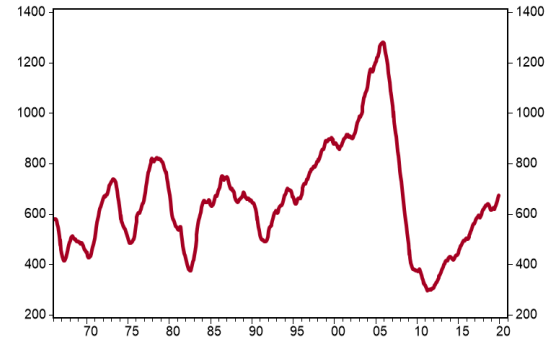
# November New Home Sales

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- New single-family home sales increased 1.3% in November to a 719,000 annual rate, below the consensus expected 732,000. Sales are up 16.9% from a year ago.
- Sales rose in the Northeast and West, fell in the South, and remained unchanged in the Midwest.
- The months' supply of new homes (how long it would take to sell all the homes in inventory) ticked down to 5.4 months in November from 5.5 months in October. The decline was entirely due to the faster pace of sales. Inventories remained unchanged in November.
- The median price of new homes sold was \$330,800 in November, up 7.2% from a year ago. The average price of new homes sold was \$388,200, up 5.7% versus last year.

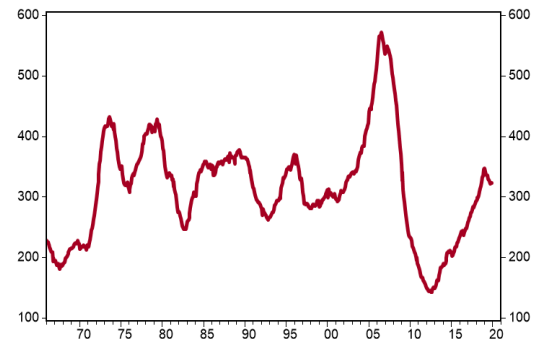
**Implications:** New home sales continue to be a bright spot for the US economy. Single-family homes sold at a 719,000 annual rate in November, up 1.3% from October and up 16.9% from a year ago. The average sales pace in the past three months sits at a post-recession high, a key sign the US is not headed for recession. New home sales normally run around 70% of single-family housing starts but have now exceeded that threshold for each of the past ten months, sitting at 76.7% in November, and signaling plenty of appetite for new homes. In other words, home construction needs to pick up to keep pace with consumers' appetites. The good news is that builders are responding, with the number of new single-family housing starts surging over the past several months to within spitting distance of new highs for this business cycle. This is also beginning to show up in the inventory of new homes available for sale, which had been on a sustained downward trend since January but has begun to level off. Affordability has been playing a big role in the recent rebound in sales, with mortgage rates having fallen roughly 110 basis points since peaking in November 2018. With only one month of data left in 2019, it is safe to say that sales will outpace 2018. For the first eleven months of 2019, sales are up 10.2% above the same period in 2018. We expect that sales in 2020 will surpass 2019, continuing that upward trend.

**New 1-Family Houses Sold: United States**  
 12-month Moving Average SAAR, Thous



Source: Census Bureau/Haver Analytics

**New 1-Family Houses For Sale: United States**  
 EOP, SA, Thous



Source: Census Bureau/Haver Analytics

| New Home Sales   | Nov-19 |               | Oct-19        | Sep-19        | 3-mo            | 6-mo            | Yr to Yr         |
|--|--------|---------------|---------------|---------------|-----------------|-----------------|------------------|
|  | % Ch   | Level         |               |               |                 |                 |                  |
| <i>All Data Seasonally Adjusted, Levels in Thousands</i> |        |               |               |               | moving avg      | moving avg      | % Change         |
| <b>New Single Family Homes Sales</b>                     | 1.3%   | 719           | 710           | 730           | 720             | 709             | 16.9             |
| <b>Northeast</b>   | 52.4%  | 32            | 21            | 35            | 29              | 30              | 6.7              |
| <b>Midwest</b>   | 0.0%   | 71            | 71            | 70            | 71              | 68              | -1.4             |
| <b>South</b>   | -4.1%  | 400           | 417           | 441           | 419             | 422             | 9.0              |
| <b>West</b>  | 7.5%   | 216           | 201           | 184           | 200             | 190             | 47.9             |
| <b>Median Sales Price (\$, NSA)</b>                      | 4.4%   | 330,800       | 316,900       | 312,100       | 319,933         | 317,817         | 7.2              |
|  |        | <b>Nov-19</b> | <b>Oct-19</b> | <b>Sep-19</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>     |        | 5.4           | 5.5           | 5.3           | 5.4             | 5.5             | 6.0              |

Source: Bureau of the Census