

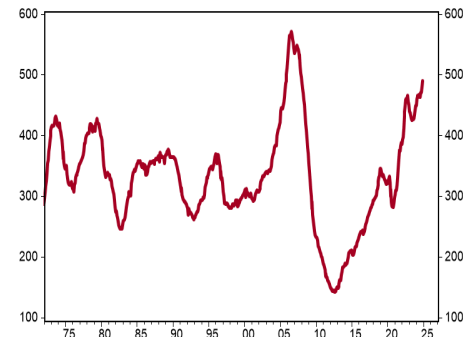
# November New Home Sales

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- New single-family home sales increased 5.9% in November to a 0.664 million annual rate, below the consensus expected 0.670 million. Sales are up 8.7% from a year ago.
- Sales in November rose in the South and Midwest, but fell in the Northeast and West.
- The months' supply of new homes (how long it would take to sell all the homes in inventory) declined to 8.9 in November. The drop was entirely due to a faster pace of sales. Inventories rose by 10,000 units in November.
- The median price of new homes sold was \$402,600 in November, down 6.3% from a year ago. The average price of new homes sold was \$484,800, down 0.9% versus last year.

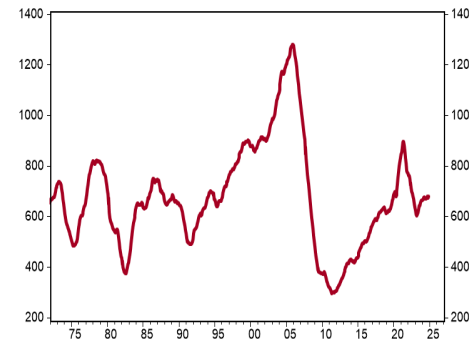
**Implications:** New home sales rebounded in November after one-off factors stemming from Hurricanes Helene and Milton temporarily delayed sales in the previous month. However, the 5.9% gain was not quite as strong as the consensus expected, and new home sales appear to be stuck in low gear, running at a similar pace to 2019. The biggest question for the housing market is whether the recent string of rate cuts from the Federal Reserve would be enough to get homebuyers off the fence and into the housing market, resulting in a new upward-trend in sales. But a major problem has been that since the Fed started cutting rates in September, 30-year fixed mortgage rates have risen back above 7%. So at least so far, the widely anticipated shot in the arm to the housing market from improved affordability on the financing front hasn't happened and most buyers continue to sit on the fence. The good news for potential buyers is that the median sales price of new homes is down 6.3% in the past year. It does look like a small part of this decline reflects a lower price per square foot as developers cut prices. The Census Bureau reports that from 2022 to 2023 (the most recent data available) the median price per square foot for single family homes sold fell 1.1%. While that decline is modest, it represents a stark reversal from the 45% gain from 2019 to 2022. That said, most of the drop in median prices is likely due to the mix of homes on the market including more lower priced options as developers complete smaller properties. Supply has also put more downward pressure on median prices for new homes than existing homes. The supply of completed single-family homes is up nearly 300% versus the bottom in 2022 and is at the highest level since 2009. This contrasts with the market for existing homes which continues to struggle with an inventory problem, often due to the difficulty of convincing current homeowners to give up the low fixed-rate mortgages they locked-in during the pandemic. While the future cost of financing remains a question, lower prices and an abundance of inventories are giving potential buyers a wider array of options that will eventually help fuel a rebound in new home sales.

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



Source: Census Bureau/Haver Analytics

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



Source: Census Bureau/Haver Analytics

New Home Sales	Nov-24		Oct-24	Sep-24	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>	<b>5.9%</b>	<b>664</b>	627	736	676	683	8.7
<b>Northeast</b>	<b>-41.0%</b>	<b>23</b>	39	28	30	29	-11.5
<b>Midwest</b>	<b>17.3%</b>	<b>88</b>	75	78	80	79	10.0
<b>South</b>	<b>13.9%</b>	<b>417</b>	366	472	418	418	13.6
<b>West</b>	<b>-7.5%</b>	<b>136</b>	147	158	147	157	-1.4
<b>Median Sales Price (\$, NSA)</b>	<b>-5.4%</b>	<b>402,600</b>	425,600	418,100	415,433	415,850	-6.3
		<b>Nov-24</b>	<b>Oct-24</b>	<b>Sep-24</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>		<b>8.9</b>	9.2	7.7	8.6	8.4	8.3

Source: Bureau of the Census