

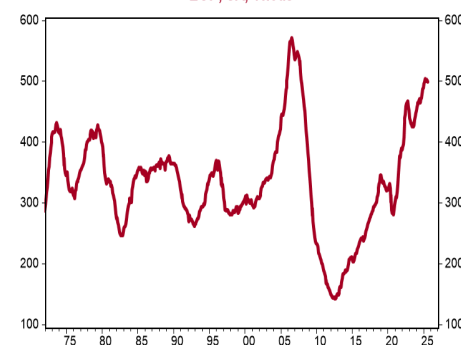
July New Home Sales

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- New single-family home sales declined 0.6% in July to a 0.652 million annual rate, beating the consensus expected 0.630 million. Sales are down 8.2% from a year ago.
- Sales in July fell in the Midwest and South, remained unchanged in the Northeast, and rose in the West.
- The months' supply of new homes (how long it would take to sell all the homes in inventory) remained unchanged at 9.2 in July. The slower pace of sales was offset by a 3,000 unit decline in inventories.
- The median price of new homes sold was \$403,800 in July, down 5.9% from a year ago. The average price of new homes sold was \$487,300, down 5.0% versus last year.

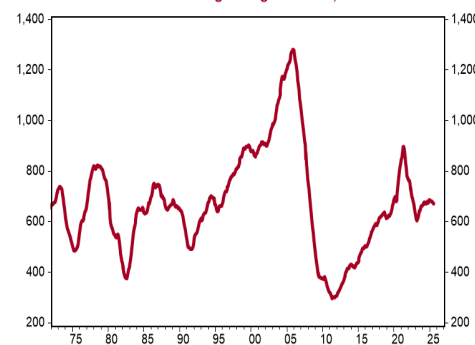
Implications: New home sales posted a small decline in July but came in better than expected due to upward revisions for June, though the summer buying season continues to be underwhelming. Looking at the big picture, buyers purchased 652,000 homes at an annual rate and sales have fallen year-over-year for seven months in a row. Moreover, the July pace remains well below the highs of the pandemic, and sales today are roughly where they were pre-pandemic in 2019. It's clear the housing market continues to face challenges. The biggest (and most obvious) is affordability. However, there has recently been progress on this front. First, financing costs have been trending modestly lower, with the average 30-yr fixed mortgage rate now around 6.6%. Meanwhile, prices are declining for new builds. Median sales prices are down 12.3% from the peak in October 2022 and have fallen 5.9% in the past year. The Census Bureau reports that from Q3 2022 to Q2 2025 (the most recent data available) the median square footage for new single-family homes built fell 6.8%. So, while part of the drop in median prices is due to smaller/lower-cost homes, there has also been a drop in the price per square foot. This is partially the result of developers offering incentives to buyers in order to move inventory. 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 290% versus the bottom in 2022 and is currently at the highest level since 2009. This contrasts with the market for existing homes which continues to struggle with convincing current homeowners to give up the low fixed-rate mortgages they locked-in during the pandemic to list their homes. While the future cost of financing remains a question, lower priced options and an abundance of inventories should give a modest boost to new home sales in 2025.

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		Jul-25		Jun-25	May-25	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		-0.6%	652	656	630	646	658	-8.2
Northeast		0.0%	26	26	29	27	28	-23.5
Midwest		-6.6%	85	91	81	86	80	4.9
South		-3.5%	388	402	375	388	401	-4.0
West		11.7%	153	137	145	145	149	-19.9
Median Sales Price (\$, NSA)		-0.8%	403,800	407,200	423,200	411,400	412,633	-5.9
			Jul-25	Jun-25	May-25	3-mo Avg	6-mo Avg	12-mo Avg
Months' Supply at Current Sales Rate (Levels)			9.2	9.2	9.6	9.3	9.2	8.9

Source: U.S. Census Bureau