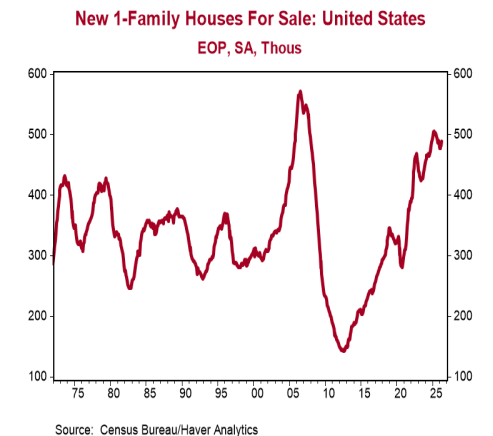
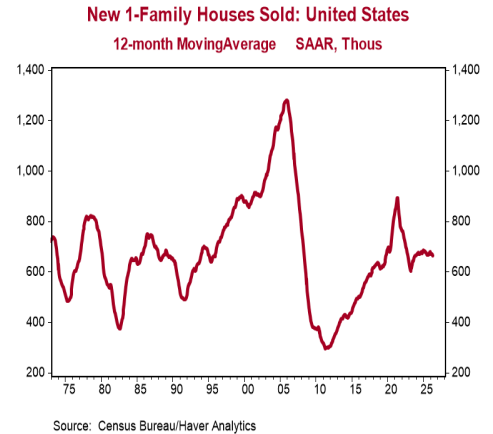


April New Home Sales

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- New single-family home sales declined 6.2% in April to a 622,000 annual rate, below the consensus expected 660,000. Sales are down 11.3% from a year ago.
- Sales in April fell in the Midwest, Northeast, and South, but rose in the West.
- The months' supply of new homes (how long it would take to sell all the homes in inventory) increased to 9.4 in April. The gain was driven by both a slower pace of sales and an 8,000 unit increase in inventories.
- The median price of new homes sold was \$422,500 in April, up 2.2% from a year ago. The average price of new homes sold was \$508,800, down 1.1% versus last year.

Implications: New home sales struggled in April, coming in weaker than expected after back-to-back gains in previous months. Sales fell 6.2% in April and now sit at a 622,000 annual rate. That sales pace is on the weaker end of pre-pandemic levels, which has been a ceiling of sorts for activity the past couple of years. Unfortunately, the ongoing Iran War and its impact on energy prices and inflation have introduced new challenges. First, financing costs have risen in response, with the average 30-yr fixed mortgage rate up roughly 40 basis points since the start of the conflict. Second, despite a new Chairman at the Federal Reserve, further rate cuts are on hold for the time being. But while buyers are unlikely to get much help from interest rates, the good news is that prices have been trending lower for new builds in the past several years. Median sales prices are down 8% from the peak in October 2022. Meanwhile, the Census Bureau reports that from Q3 2022 to Q1 2026 (the most recent data available) the median square footage for new single-family homes built rose 3.7%. So, buyers are seeing a drop in the price per square foot, not just smaller/lower cost options. 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 300% 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 financing costs remain a headwind, less expensive options and an abundance of inventories may give home sales a modest boost in 2026. In other recent housing news, the FHFA index rose 0.1% in March and is up 1.7% in the past year, while the national Case-Shiller index declined 0.2% in March but is up 0.7% from a year ago. Expect home prices to remain on a very modest upward trend, slower than overall price ago.



New Home Sales <i>All Data Seasonally Adjusted, Levels in Thousands</i>	Apr-26		Mar-26	Feb-26	3-mo	6-mo	Yr to Yr
	% Ch	Level			moving avg	moving avg	% Change
New Single Family Homes Sales	-6.2%	622	663	641	642	664	-11.3
Northeast	-12.9%	27	31	18	25	37	-12.9
Midwest	-25.0%	66	88	83	79	84	-21.4
South	-9.8%	370	410	397	392	396	-14.7
West	18.7%	159	134	143	145	148	4.6
Median Sales Price (\$, NSA)	8.0%	422,500	391,100	412,300	408,633	412,283	2.2
		Apr-26	Mar-26	Feb-26	3-mo Avg	6-mo Avg	12-mo Avg
Months' Supply at Current Sales Rate (Levels)		9.4	8.7	9.1	9.1	8.8	8.9

Source: U.S. Census Bureau