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New Home Sales Remain Near Post Crash Highs

Sales of newly constructed home **jumped to a 13-year high of 764,000 annualized units in January**, a number that was revised even higher today to 800,000. Given that increase, it was **expected that there would be a bit of a pullback in February**.

Sales in February did decline by 4.4 percent according to Tuesday morning's report from the U.S. Census Bureau and the Department of Housing and Urban Development. **Even so, they came in higher than the most optimistic forecast.**

Homes sold at a seasonally adjusted annual rate of 765,000 units during the month, **an increase of 14.3 percent year-over-year**. The range of forecasts from analysts polled by Econoday was 690,000 to 764,000 units with a consensus of 743,000.

On a non-adjusted basis there were 68,000 new homes sold during the month compared to 61,000 in January and 57,000 in February 2019. For the year-to-date, sales total 128,000 units, a 21.1 percent increase over the 106,000 new homes sold during the first two months of last year.

The median price of a home sold during the month was \$345,900, up from \$320,800 a year earlier. The average prices were \$403,800 and \$383,600 respectively.

At the end of February were an estimated 319,000 new homes for sale. This is estimated at a 5.4-month supply at the current rate of sales. The inventory was equivalent to a 5.5-month supply in January and at 6.1 months a year earlier.

Sales were strongest in the **Northeast** with a monthly increase of 38.9 percent and a 47.1 percent gain on an annual basis. Sales in the **Midwest** fell 7.3 percent but were still 15.6 percent higher than in February 2019.

The **South** eked out a 1.0 percent increase in sales compare to January and were 6.3 percent higher year-over-year. Sales dropped 17.2 percent in the **West** while remaining 24.7 percent above sales the previous February.

Of the 68,000 homes sold during the month, nearly identical numbers were sold pre-construction and during construction (22,000 each). Only 23,000 were ready for occupancy.

National Average Mortgage Rates



| | Rate | Change | Points |
|----------------------------|-------|--------|--------|
| Mortgage News Daily | | | |
| 30 Yr. Fixed | 7.41% | -0.10 | 0.00 |
| 15 Yr. Fixed | 6.84% | -0.06 | 0.00 |
| 30 Yr. FHA | 6.88% | -0.11 | 0.00 |
| 30 Yr. Jumbo | 7.60% | -0.07 | 0.00 |
| 5/1 ARM | 7.50% | -0.05 | 0.00 |

Freddie Mac

| | | | |
|--------------|-------|-------|------|
| 30 Yr. Fixed | 7.17% | -0.27 | 0.00 |
| 15 Yr. Fixed | 6.44% | -0.32 | 0.00 |

Mortgage Bankers Assoc.

| | | | |
|--------------|-------|-------|------|
| 30 Yr. Fixed | 7.24% | +0.11 | 0.66 |
| 15 Yr. Fixed | 6.75% | +0.11 | 0.64 |
| 30 Yr. FHA | 7.01% | +0.11 | 0.94 |
| 30 Yr. Jumbo | 7.45% | +0.05 | 0.56 |
| 5/1 ARM | 6.64% | +0.12 | 0.87 |

Rates as of: 5/1


Recent Housing Data

| | | Value | Change |
|---------------------|--------|-------|---------|
| Mortgage Apps | Apr 24 | 196.7 | -2.67% |
| Building Permits | Mar | 1.46M | -3.95% |
| Housing Starts | Mar | 1.32M | -13.15% |
| New Home Sales | Mar | 693K | +4.68% |
| Pending Home Sales | Feb | 75.6 | +1.75% |
| Existing Home Sales | Feb | 3.97M | -0.75% |

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With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

Rich E. Blanchard



Value

Change

Mar51+6.25%