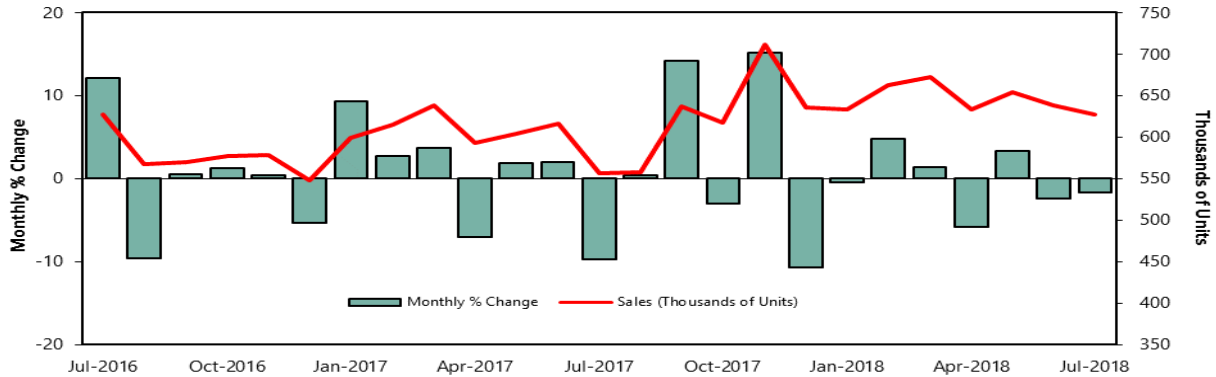


### SALES DECREASE, INVENTORIES INCREASE

New Home Sales – Thursday, August 23, 2018



Record High: 1389k (07/05)

Percent Change from Record High: -54.9%

New home sales decreased 1.7% in July to an annualized pace of 627k following a revised decline of 2.4% in June (previously a 3.9% decline) to an annual rate of 638k. Despite the declines in the last two months, new home sales remain 12.8% higher than their July 2017 level. Regionally, new home sales were again wildly mixed with an outsized 52.3% drop in the Northeast and a 3.3% decline in the South. Sales were up 9.9% and 10.9% respectively in the Midwest and West. The inventory of new homes available for sale rose 2.0% last month to 309k, the highest inventory level since 2009, which represents a 5.9-month supply at the current sales pace. The supply of new homes on the market is near the supply/demand balance of 6 months. New home prices rose moderately over the past year with the median price for a new home up 1.8% to \$328,700. Beneath all the volatility in this report is a new home market that is showing some weakness, however some of the details in the data are positive. More homes for sale give buyers more choices in what will be a likely positive for sales in the coming months. The overall year-on-year growth rate of 12.8%, if sustained would point to a badly needed uplift for the housing sector in general going into the second-half of what has been a very subdued 2018.

#### THOUSANDS OF UNITS

Forecast:	660k
Consensus*:	649k
<b>Actual:</b>	<b>627k</b>

	Monthly				Average for						
	Jul-18	Jun-18	May-18	Apr-18	Three Month	Six Month	Twelve Month	2017	2016	Five Year	Ten Year

<b>New Home Sales</b>	<b>627</b>	<b>638</b>	<b>654</b>	<b>633</b>	<b>640</b>	<b>648</b>	<b>640</b>	<b>608</b>	<b>561</b>	<b>507</b>	<b>439</b>
(percent change)	-1.7	-2.4	3.3	-5.8				8.4	12.0		

<b>Northeast</b>	<b>21</b>	44	33	32	33	35	36	40	32	31	30
(percent change)	<b>-52.3</b>	33.3	3.1	-8.6				25.0	33.3		
<b>Midwest</b>	<b>78</b>	71	84	88	78	81	77	71	69	64	58
(percent change)	<b>9.9</b>	-15.5	-4.5	2.3				2.9	13.1		
<b>South</b>	<b>355</b>	367	386	350	369	365	356	335	318	283	242
(percent change)	<b>-3.3</b>	-4.9	10.3	-4.6				5.3	11.2		
<b>West</b>	<b>173</b>	156	151	163	160	166	171	162	142	130	109
(percent change)	<b>10.9</b>	3.3	-7.4	-11.4				14.1	9.2		

<b>Inventory</b>	<b>309</b>	303	300	300	304	302	295	293	257	230	223
<b>Months of Supply</b>	<b>5.9</b>	5.7	5.5	5.7				5.4	5.2		

<b>Median Sales Price (\$000)</b>	<b>328.7</b>	310.0	313.6	314.4	317.4	321.6	325.9	321.1	307.8	294.3	260.3
(year-on-year % change)	<b>1.8</b>	-1.6	-3.1	1.1				4.3	3.8		

<b>Average Sales Price (\$000)</b>	<b>394.3</b>	369.5	371.2	385.1	378.3	377.2	381.2	382.0	360.9	353.4	314.4
(year-on-year % change)	<b>5.9</b>	-0.3	-1.9	5.3				5.8	0.1		

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