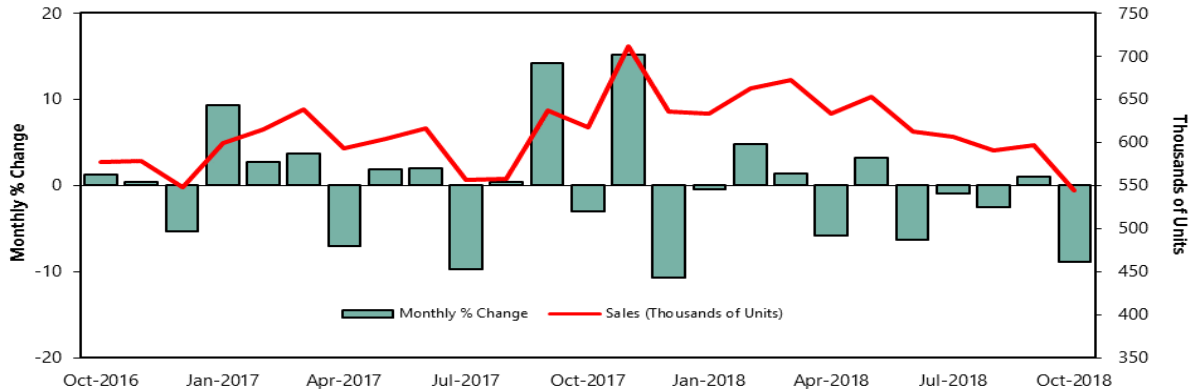


### SHARP DECLINE, TRENDING LOWER New Home Sales – Wednesday, November 28, 2018



Record High: 1389k (07/05)      Percent Change from Record High: -60.8%

New home sales dropped 8.9% in October to an annualized pace of 544k due to a strong upward revision to September sales, otherwise the decline would have been much smaller. September new home sales were revised from a 3.0% decline to a 1.0% gain to a 597k annual rate. Still, new home sales continue to trend lower and remain 12.0% below the October 2017 pace of 618k. Regionally, new home sales fell in all areas of the country, with a drop of 18.5% in the Northeast, a 22.1% decline in the Midwest, a fall of 7.7% in the South as sales slipped 3.2% in the West. The inventory of new homes available for sale rose 4.3% last month and were up 17.5% on the year to 336k, which represents a 7.4-month supply at the current sales pace. Given how weak sales have turned, with ample supply on the market, new home prices downshifted over the past year with the median price for a new home down 3.1% to \$309,700. Beneath all the volatility in this report is a new home market that has weakened substantially in the past four months. Rising interest rates appear to be offsetting job market strength, dampening demand. The outlook is soft for new home sales going forward, as well as the broader housing market, as rates continue to climb higher.

#### THOUSANDS OF UNITS

Forecast:	610k
Consensus*:	575k
Actual:	544k

	Monthly				Average for					
	Oct-18	Sep-18	Aug-18	Jul-18	Three Month	Six Month	Twelve Month	2017	2016	Five Year

<b>New Home Sales</b>	<b>544</b>	<b>597</b>	<b>591</b>	<b>606</b>	<b>577</b>	<b>601</b>	<b>629</b>	<b>608</b>	<b>561</b>	<b>507</b>	<b>439</b>
(percent change)	<b>-8.9</b>	1.0	-2.5	-1.0				8.4	12.0		

<b>Northeast</b>	<b>22</b>	27	33	25	27	31	34	40	32	31	30
(percent change)	<b>-18.5</b>	-18.2	32.0	-44.4				25.0	33.3		
<b>Midwest</b>	<b>60</b>	77	67	69	68	71	76	71	69	64	58
(percent change)	<b>-22.1</b>	14.9	-2.9	1.5				2.9	13.1		
<b>South</b>	<b>313</b>	339	336	344	329	344	350	335	318	283	242
(percent change)	<b>-7.7</b>	0.9	-2.3	-0.6				5.3	11.2		
<b>West</b>	<b>149</b>	154	155	168	153	155	170	162	142	130	109
(percent change)	<b>-3.2</b>	-0.6	-7.7	9.8				14.1	9.2		

<b>Inventory</b>	<b>336</b>	322	317	313	325	316	306	293	257	230	223
<b>Months of Supply</b>	<b>7.4</b>	6.5	6.4	6.2				5.4	5.2		

<b>Median Sales Price (\$000)</b>	<b>309.7</b>	321.3	323.8	327.5	318.3	318.3	325.2	321.1	307.8	294.3	260.3
(year-on-year % change)	<b>-3.1</b>	-3.1	3.1	1.4				4.3	3.8		

<b>Average Sales Price (\$000)</b>	<b>377.2</b>	384.5	393.4	370.1	385.0	380.5	382.4	382.0	360.9	353.4	314.4
(year-on-year % change)	<b>-0.6</b>	4.1	5.6	-0.1				5.8	0.1		

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