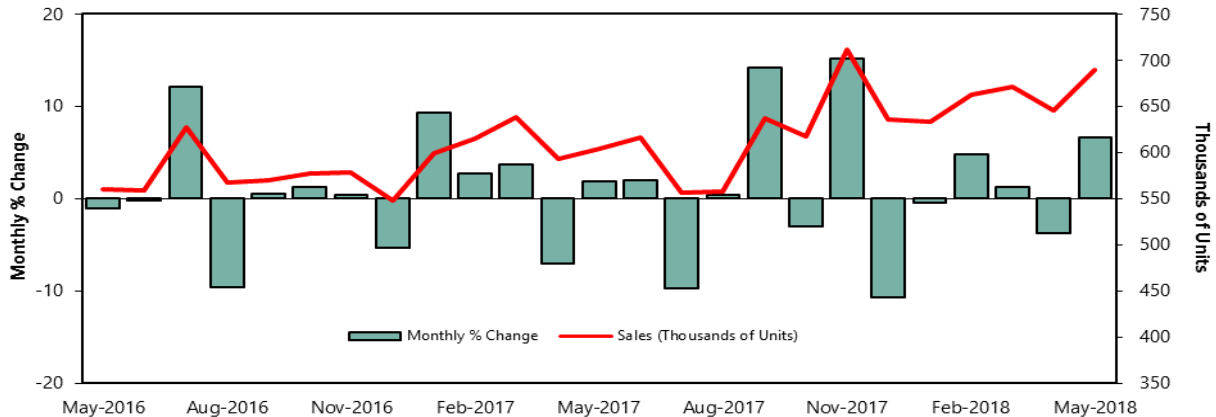


SALES UP; PRICES DOWN

New Home Sales –Monday, June 25, 2018



Record High: 1389k (07/05) Percent Change from Record High: -50.4%

New home sales rose 6.7% in May to an annualized pace of 689k following a decline of 3.7% in April and an annual rate of 646k. With the gain last month, new home sales are now 14.1% higher than their level in May 2017. Regionally, new home sales were wildly mixed with declines of 10.0% in Northeast and 8.7% in the West while surging 17.9% in the South. Sales were unchanged in the Midwest. The inventory of new homes available for sale rose slightly to 299k in May which represents a 5.2-month supply at the current sales pace. New home prices were down over the past year with the median price for a new home 3.3% lower at \$313,000. Beneath all the volatility in this report is a new home market that continues to climb at a strong but perhaps unsustainable rate, moving from around 625k to roughly 675k so far this year. The price drop is also telling, suggesting moderation for what had been one of the strongest areas in the economy.

THOUSANDS OF UNITS

Forecast:	700k
Consensus*:	665k
Actual:	689k

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

New Home Sales	689	646	671	663	669	656	636	608	561	507	439
(percent change)	6.7	-3.7	1.2	4.7				8.4	12.0		

Northeast	36	40	36	46	37	38	39	40	32	31	30
(percent change)	-10.0	11.1	-21.7	31.4				25.0	33.3		
Midwest	87	87	86	80	87	82	76	71	69	64	58
(percent change)	0.0	1.2	7.5	-7.0				2.9	13.1		
South	409	347	362	366	373	359	350	335	318	283	242
(percent change)	17.9	-4.1	-1.1	13.7				5.3	11.2		
West	157	172	187	171	172	178	171	162	142	130	109
(percent change)	-8.7	-8.0	9.4	-10.0				14.1	9.2		

Inventory	299	296	296	300	297	297	289	293	257	230	223
Months of Supply	5.2	5.5	5.3	5.4				5.4	5.2		

Median Sales Price (\$000)	313.0	318.5	334.2	327.2	321.9	327.6	326.0	321.1	307.8	294.3	260.3
(year-on-year % change)	-3.3	2.4	3.9	9.8				4.3	3.8		

Average Sales Price (\$000)	368.5	394.6	366.7	373.6	376.6	380.7	379.8	382.0	360.9	353.4	314.4
(year-on-year % change)	-2.6	7.9	-4.6	0.8				5.8	0.1		

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