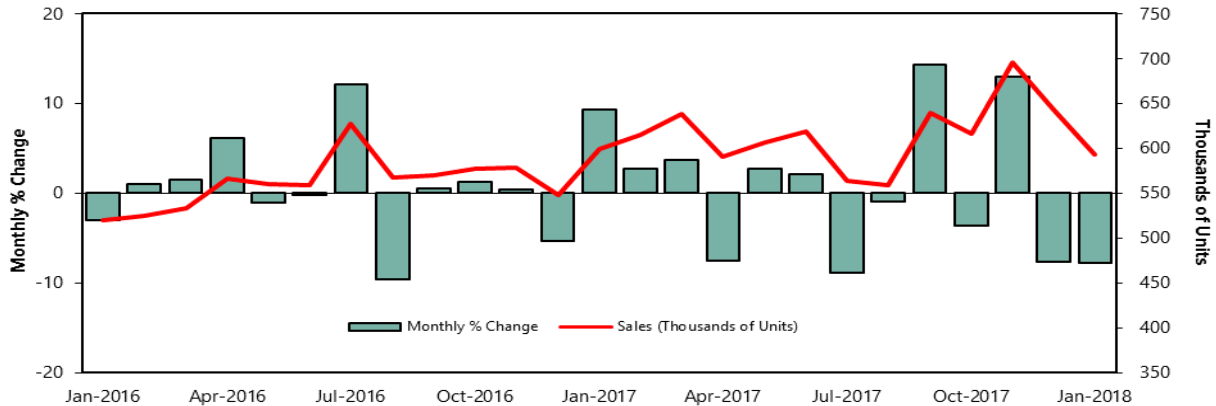


### ANOTHER SHARP MONTHLY DECLINE

New Home Sales – Monday, February 26, 2018



Record High: 1389k (07/05)

Percent Change from Record High: -57.3%

New home sales declined 7.8% in January to an annualized pace of 593k following a similar sized decline of 7.6% in December to an annual pace of 643k. New home sales downshifted the last couple of months after a strong November to leave January new home sales down 1.0% from last year. Regionally, new home sales were quite mixed with huge declines in the Northeast and South, a strong gain in the Midwest and a modest gain in the West. The inventory of new homes available for sale rose 2.4% to 301k in January from December which represents a 6.1-month supply at the current sales pace. Supply is in the normal range which hopefully will bring some relief to inventory shortages in the resale market. New home prices continued to appreciate moderately over the past year with the median price for a new home up 2.5% to \$323,000 in January from January 2017. Given incoming supply and room for prices to move higher, the outlook for new home sales remains positive for 2018, despite recent declines. The housing market is expected to remain a positive contributor to GDP growth this year.

#### THOUSANDS OF UNITS

Forecast:	675k
Consensus*:	640k
Actual:	593k

	Monthly				Average for					
	Jan-18	Dec-17	Nov-17	Oct-17	Three Month	Six Month	Twelve Month	2017	2016	Five Year

<b>New Home Sales</b>	<b>593</b>	<b>643</b>	<b>696</b>	<b>616</b>	<b>644</b>	<b>624</b>	<b>615</b>	<b>608</b>	<b>561</b>	<b>507</b>	<b>439</b>
(percent change)	<b>-7.8</b>	-7.6	13.0	-3.6				8.4	12.0		

<b>Northeast</b>	<b>24</b>	36	41	41	34	36	38	40	32	31	30
(percent change)	<b>-33.3</b>	-12.2	0.0	5.1				25.0	33.3		
<b>Midwest</b>	<b>75</b>	65	72	71	71	71	72	71	69	64	58
(percent change)	<b>15.4</b>	-9.7	1.4	-4.1				2.9	13.1		
<b>South</b>	<b>301</b>	351	376	356	343	344	338	335	318	283	242
(percent change)	<b>-14.2</b>	-6.6	5.6	-2.2				5.3	11.2		
<b>West</b>	<b>193</b>	191	207	148	197	173	167	162	142	130	109
(percent change)	<b>1.0</b>	-7.7	39.9	-8.6				14.1	9.2		

<b>Inventory</b>	<b>301</b>	294	286	286	294	288	278	293	257	230	223
<b>Months of Supply</b>	<b>6.1</b>	5.5	4.9	5.6				5.4	5.2		

<b>Median Sales Price (\$000)</b>	<b>323.0</b>	336.7	243.0	319.5	300.9	311.3	313.4	321.1	307.8	294.3	260.3
(year-on-year % change)	<b>2.5</b>	3.0	-22.9	5.5				4.3	3.8		

<b>Average Sales Price (\$000)</b>	<b>382.7</b>	394.6	388.5	394.0	388.6	384.7	379.2	382.0	360.9	353.4	314.4
(year-on-year % change)	<b>7.0</b>	3.2	6.9	11.9				5.8	0.1		

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