

U.S. Data Review

- New home sales: a surge in June reverses Covid-related slowdown

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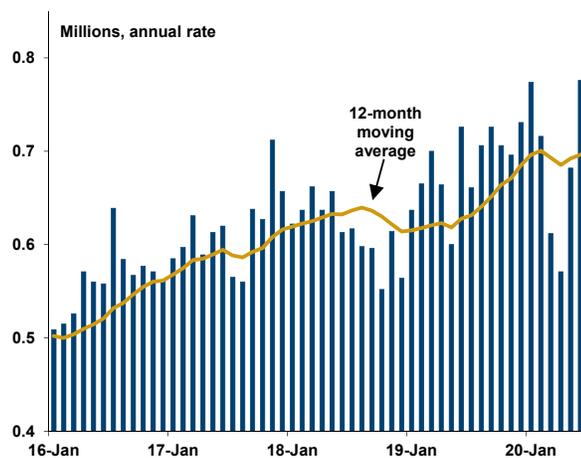
New Home Sales

Sales of new homes surged 13.8 percent to 776,000, annual rate in June, easily beating the expected increase of 3.6 percent. The change occurred from an upward-revised level in the prior month (sales in May were 0.9 percent firmer than previously believed), and it pushed the pace of activity above the high of the previous expansion (774,000, annual rate in January 2020; chart, left).

The jump in sales was broad-based geographically, with all four major regions of the country posting gains. Sales in the Northeast advanced 89.7 percent, reversing all of the ground lost in the past few months and topping the best reading of the previous expansion. Activity in the South, Midwest and West all returned to their pre-virus ranges.

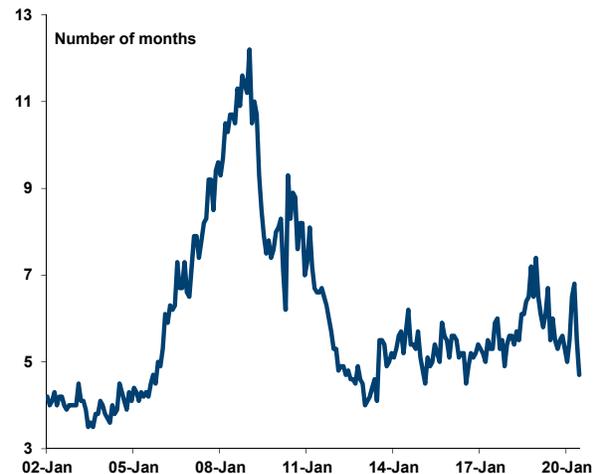
The firm pace of sales in June led to a decline of 1.3 percent in the number of new homes available for sale. The months' supply of homes for sale declined to 4.7 months from 5.5 months, a reading notably below the average of 5.8 months in 2019 and in the lower portion of the range of the past few years (chart, right).

New Home Sales



Source: U.S. Census Bureau via Haver Analytics

Months' Supply of Unsold Homes



Source: U.S. Census Bureau via Haver Analytics

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