

U.S. Data Review

- New home sales: solid gain from upward revised level

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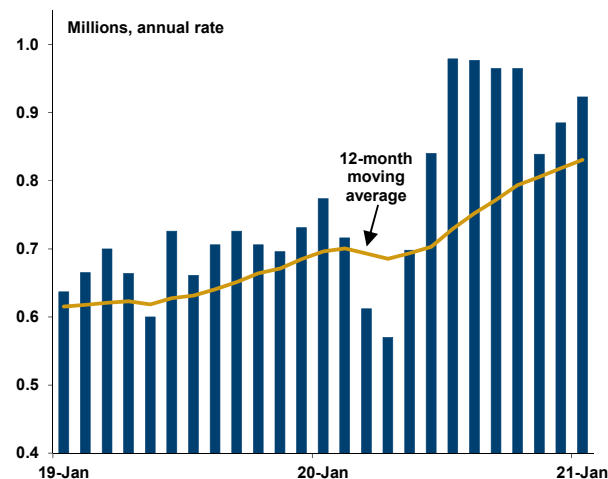
New Home Sales

Sales of new homes jumped 4.3 percent in January, and results in the prior three months were revised upward (combined sales were 2.6 percent firmer than previously believed). The resulting level of activity in the latest month was notably firmer than expected, with sales of 923,000 units (annual rate) easily beating the consensus estimate of 856,000 homes. The new total is strong relative to the performance in the prior expansion, although it lags the robust totals seen from July to October (chart, left).

Results varied geographically, with activity falling in the Northeast and moving to a mediocre level. Sales in the West rose, but the level was well shy of the robust totals in the summer and fall. The South and Midwest posted results in the upper portions of the recent ranges.

With single-family housing starts strong in recent months, the number of new homes on the market rose sharply in both December and January (3.1 percent and 2.7 percent, respectively), but with sales strong, the months' supply of homes dipped from 4.1 to 4.0 months. The latest reading was firmer than readings of approximately 3.5 months during the summer and fall, but still on the light side relative to historical standards (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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