

# U.S. Data Review

- New home sales: noticeable decline from downwardly revised results

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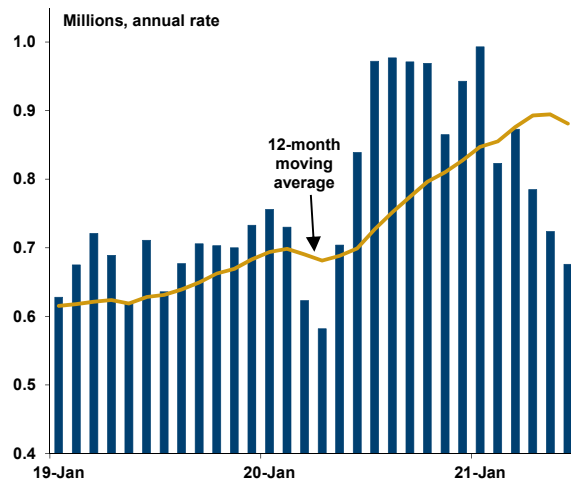
## New Home Sales

Sales of new homes fell 6.6 percent in June, a marked contrast to the expected increase of 4.0 percent. In addition, sales in the prior three months were revised lower, with the combined adjustment totaling -3.6 percent. All told, activity in the past five months has eased sharply from results late last year and the start of this year. Sales remained comfortably within the range of observations in place before the onset of the pandemic, but they have lost the edge in place later last year and the start of this year. Sales of existing homes also have eased in recent months.

The decline in new home sales was broadly based geographically. Activity tumbled in the Northeast (off 27.9 percent), but this change might be viewed as catch-up to softening that occurred in other areas in prior months. Sales in the Northeast had been reasonably well maintained through May, but with the sharp decline in June, they have now shown softening comparable to that in other regions over the past several months.

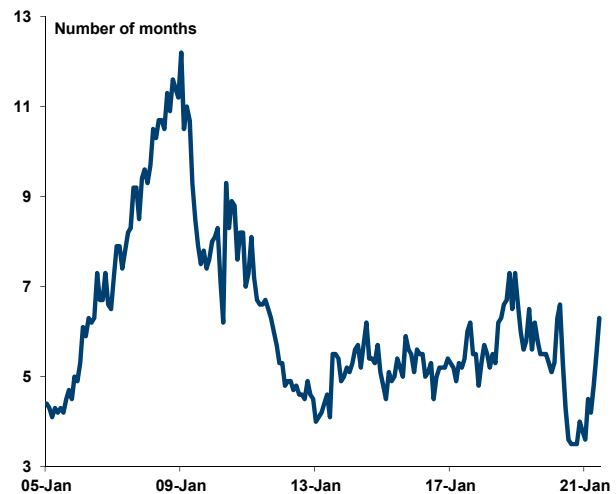
Softness in the market for existing homes is partly due to limited inventories of homes for sale, but that is less of an issue in the market for new homes. The number of new homes for sale has increased in seven of the past eight months, and they are now at a level that could be considered normal (the months' supply is in the upper portion of the range from the past few years; chart, right). Elevated prices are likely an issue, as is a natural cooling after a flurry of activity.

### 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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