

# Solid Growth for New Homes Sales-February 2019

Sales of newly built, single-family homes rose in February to a seasonally adjusted annual rate of 667,000 units — the highest sales pace since March 2018. The release of the sales report by the U.S. Department of Housing and Urban Development and the U.S. Census Bureau was delayed due to the partial government shutdown.

“The recent decline in mortgage rates have helped boost sales activity as home buyers take advantage of these lower interest rates,” said NAHB Chairman Greg Ugalde, a home builder and developer from Torrington, Conn.

A new home sale occurs when a sales contract is signed or a deposit is accepted. The home can be in any stage of construction: not yet started, under construction or completed. In addition to adjusting for seasonal effects, the February reading of 667,000 units is the number of homes that would sell if this pace continued for the next 12 months.

“The new home sales data continue to show potential to grow sales at affordable price points that would be attractive for the entry-level buyer,” said NAHB Chief Economist Robert Dietz. “However, builders need to be mindful of housing costs as they try to meet this demand.”

The inventory of new homes for sale was 340,000 in February and has been relatively flat since December. The median sales price was \$315,300 as most sales growth took place in the \$200,000-\$400,000 sales class.

Regionally, and on a monthly basis, new home sales rose 26.9% in the Northeast, 28.3% in Midwest and 1.8% in the South. The West remained unchanged.