



Economics Group

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New Home Sales Rose Again in April, but Recovery Still Slow

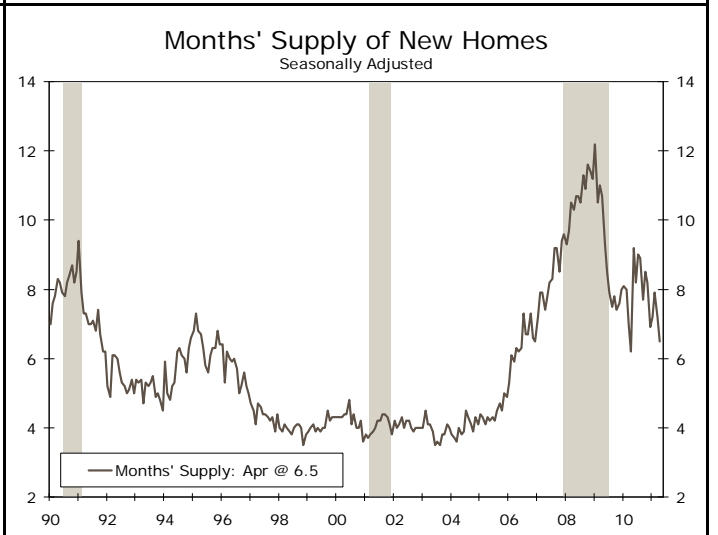
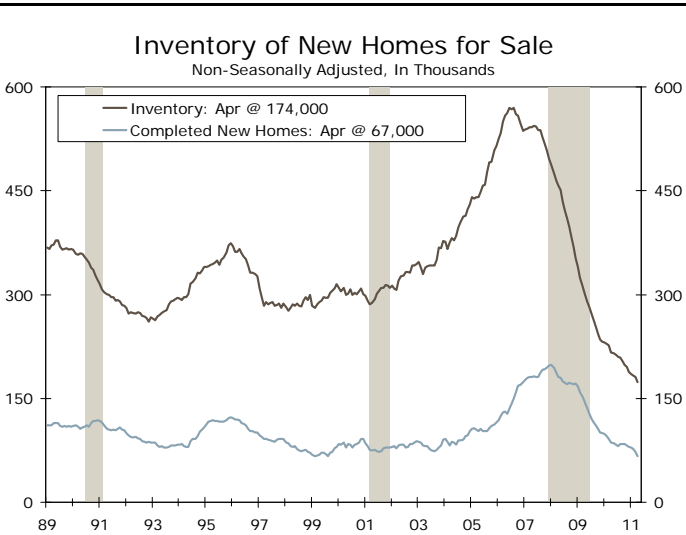
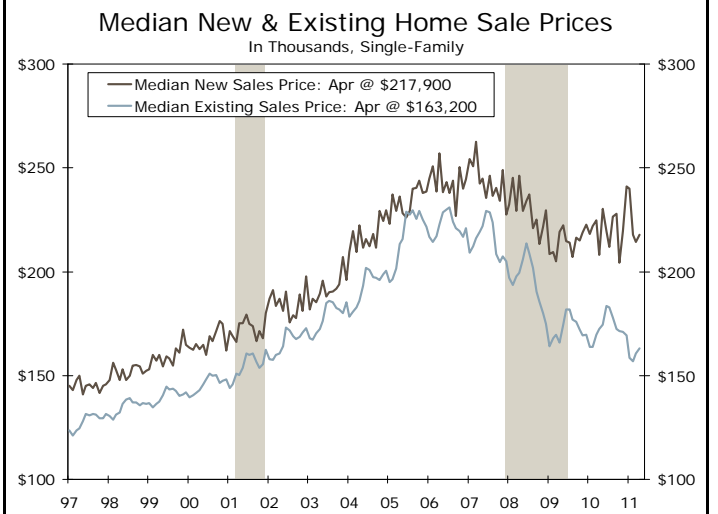
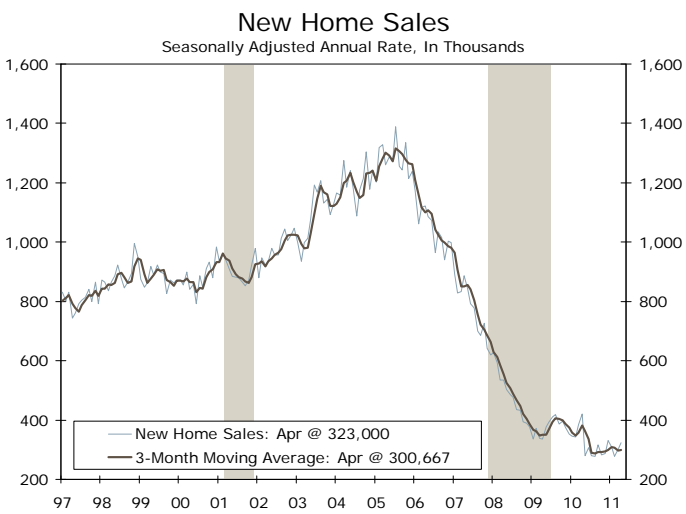
New home sales rose 7.3 percent in April to a 323,000-unit annual pace. Due to competition with foreclosure sales, the inventory of unsold homes slid to its lowest level on record. Median prices rose to \$217,900.

Gains Encouraging, but Level of Sales Still Depressed

- New home sales rose 7.3 percent in April, the second consecutive monthly increase. Sales in all regions improved with the largest monthly gains in the West and Northeast. While sales are picking up, the overall level remains extremely depressed. Nearly three-quarters of new homes sold were under \$300,000, with the largest concentration of homes in the \$200,000 – \$299,999 price range.

New Home Inventories Fall to Record Low

- The overall inventory of new homes fell to 174,000 units, the lowest level on record. Builders remain reluctant to increase inventories as they continue to face tough competition from foreclosures. The steady decline in existing home prices due to foreclosures and short sales has significantly widened the gap between the median price of a new home vs. an existing home.
- The months' supply fell to 6.5 months in April.



Source: U.S. Department of Commerce, National Association of Realtors and Wells Fargo Securities, LLC

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