



Economics Group

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New Home Sales Rise Modestly in April

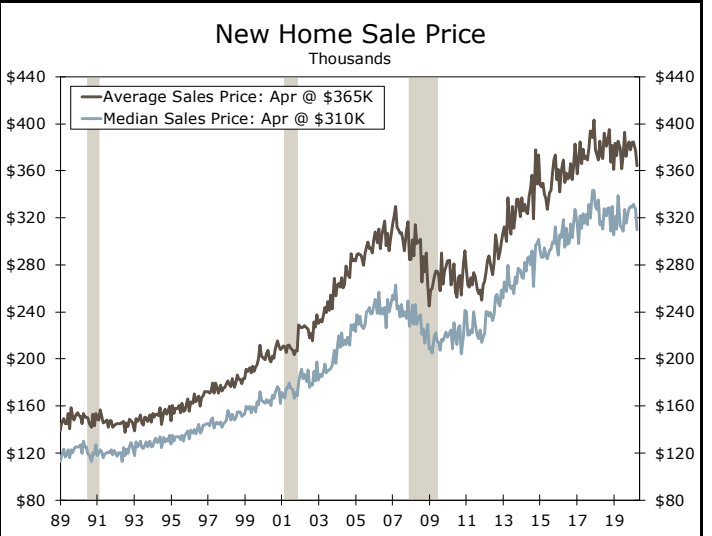
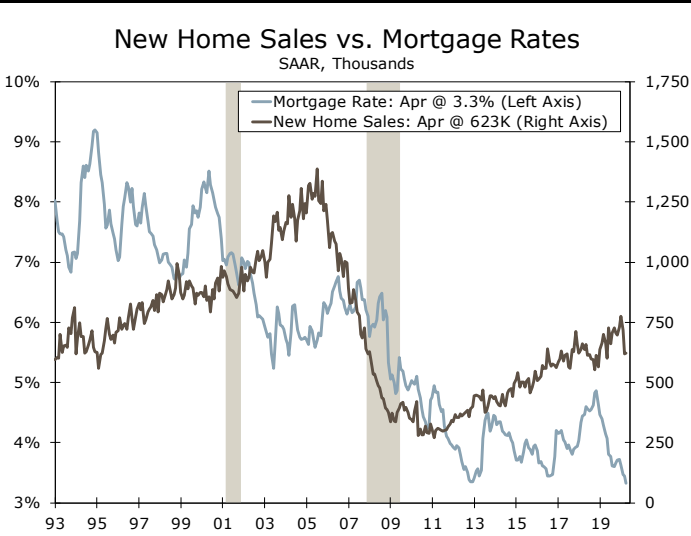
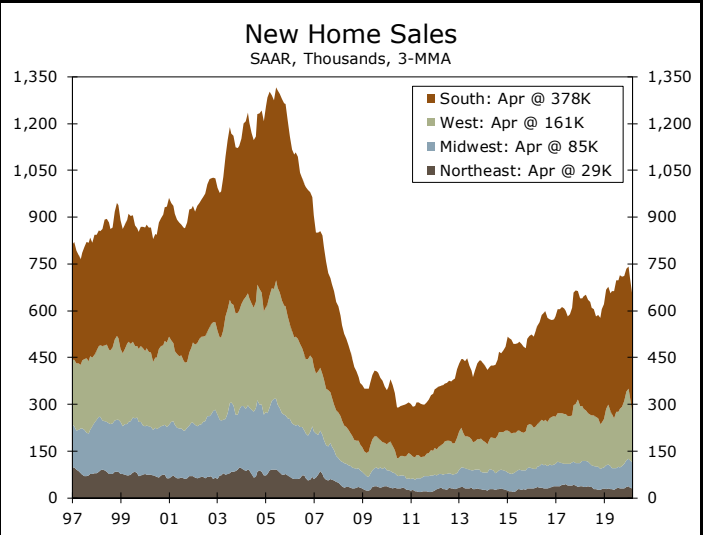
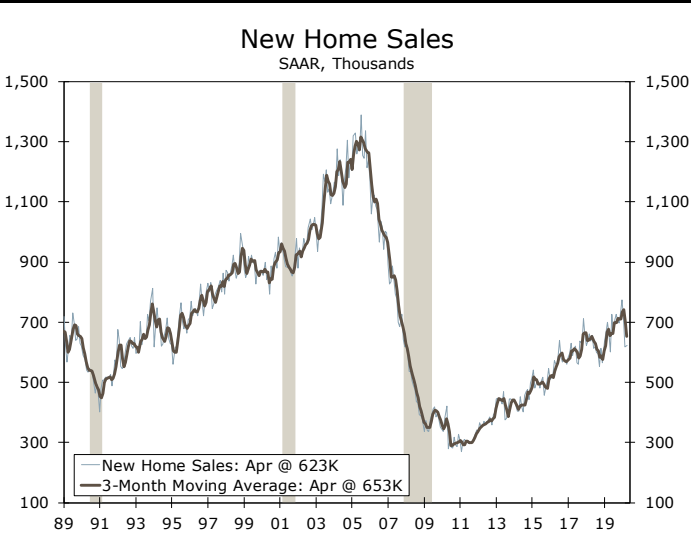
New home sales blew past expectations in April, rising 0.6% to a 623,000-unit pace, 143,000 above consensus. Builders had said business was solid in April, in sharp contrast to most other activities.

Housing Looks to Be an Upside Surprise in 2020

- After plunging 13.7% in March, new home sales rebounded 0.6% in April to a 623,000-unit pace. Builders had said traffic was brisk throughout most of the month and applications for the purchase of a home have risen steadily in recent weeks.
- The rise in new home sales is one of the only positive measures of economic activity in April. Retail sales, restaurant dining and airline travel all plummeted, as many businesses shut down.

Home Sales Rose in Most Regions

- Home sales rose in most parts of the country, including the Northeast. Sales in the South rose 2.4% to a 379,000-unit pace. Sales also rose 2.4% in the Midwest but fell 6.3% in the West, where stay-at-home orders were a bit more stringent.
- The median price of a new home fell 8.6% from one year ago to \$309,900. The drop is due to rising sales of homes priced below the median and fewer sales in higher-priced Western markets.



Source: U.S. Department of Commerce, Freddie Mac and Wells Fargo Securities

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