



# Economics Group

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## New Home Sales Beat Estimates, But Revisions Dampen Rise

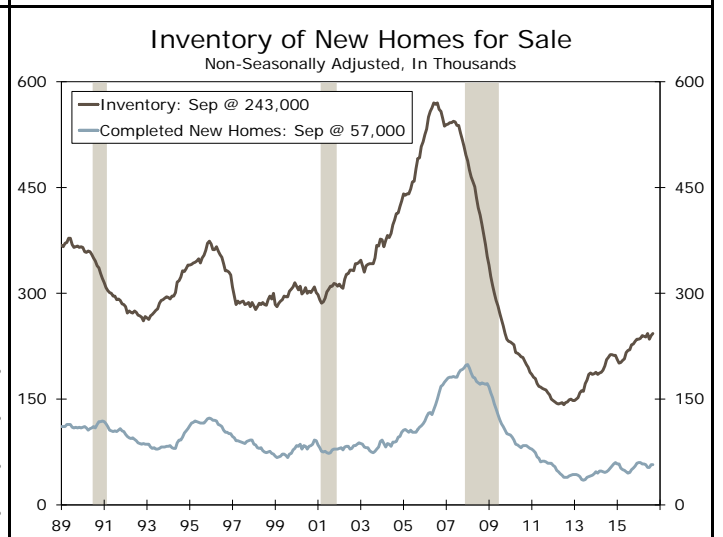
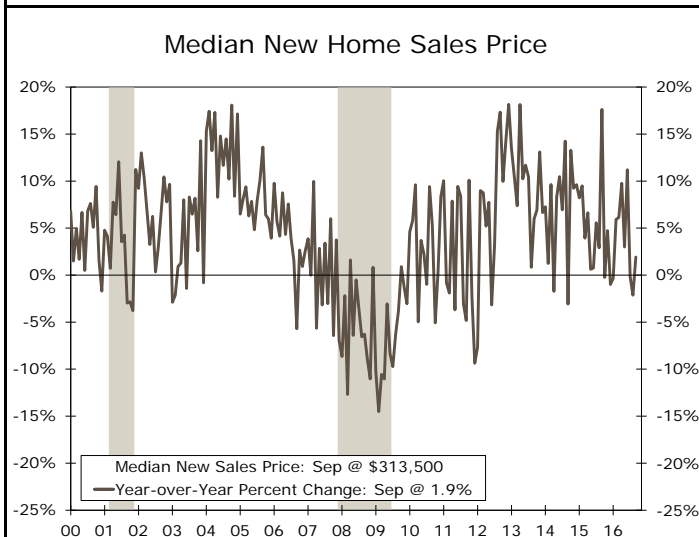
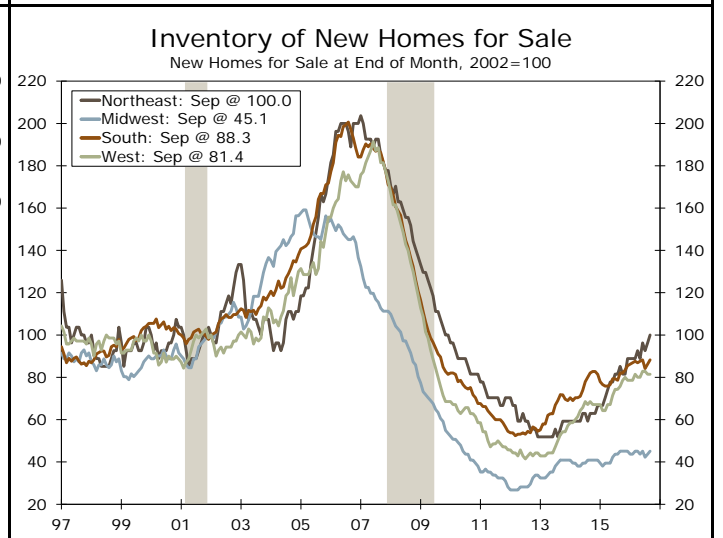
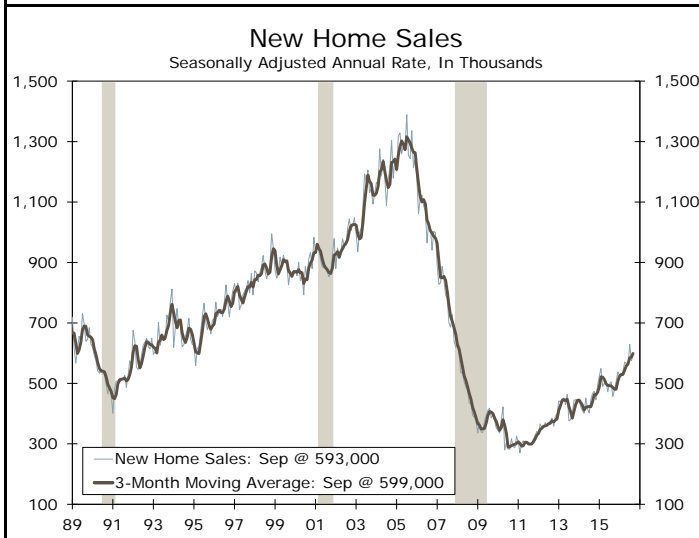
**Besting estimates, new home sales rose an unexpected 3.1 percent in September to a 593,000 unit annual pace. On net, revisions show sales over the past three months were 85,000 less than previously reported.**

### Upward Trend in New Home Sales Still in Place

- Sales for newly constructed homes rose in September, but downward revisions to previous months' data somewhat sour the monthly headline reading. On a three-month moving average basis, sales increased 2.0 percent, advancing at an annual rate of 599,000 units, suggesting that despite downward revisions the uptrend in new home sales remains intact. Median prices rose almost 2 percent during the month.

### Inventory Remains at Historically Low Level

- Sales rose in every region with the exception of the West, which slumped 4.5 percent during the month. That said, sales in the West are up 32.4 percent relative to a year earlier.
- Inventory for new homes remains low, with a 4.8-months' supply of homes available for sale at the current sales pace. During the month, there were only 57,000 new completed homes for sale, and 141,000 are under construction.



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

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