



National Association of Home Builders

New-Home Sales Rise 2.1 Percent in May

June 25, 2013 - Sales of newly built, single-family homes rose for a third consecutive month in May, posting a 2.1 percent gain to a seasonally adjusted annual rate of 476,000 units, according to data released by HUD and the U.S. Census Bureau today. This is the fastest sales pace recorded since July of 2008.

"Builders are reporting increased demand for new homes as buyers seek to take advantage of historically low mortgage rates while they remain so favorable," observed Rick Judson, chairman of the National Association of Home Builders (NAHB) and a home builder from Charlotte, N.C. "Consumers in markets nationwide are definitely becoming more confident about making a home purchase as firming prices and tighter inventories provide further evidence of the ongoing housing recovery."

"Today's report confirms that the improvement we have been seeing in housing markets over the past year continues to take place at a gradual and steady pace," said NAHB Senior Economist Robert Denk. "We expect to see more of this positive momentum in the coming months, tempered by the caution that builders are exercising to avoid getting ahead of demand along with ongoing constraints they face with regard to the availability of credit, materials, lots and labor."

Three out of four regions posted sales gains in May, with double-digit increases of 20.7 percent and 40.7 percent in the Northeast and Midwest, respectively, and a more moderate, 3.6 percent gain in the West. The South posted a 9.0 percent decrease following an unsustainably large gain in the previous month.

The inventory of new homes for sale edged up slightly to 161,000 units in May, which is a 4.1-month supply at the current sales pace.