



FOR IMMEDIATE RELEASE

December 21, 2021

Contact information below

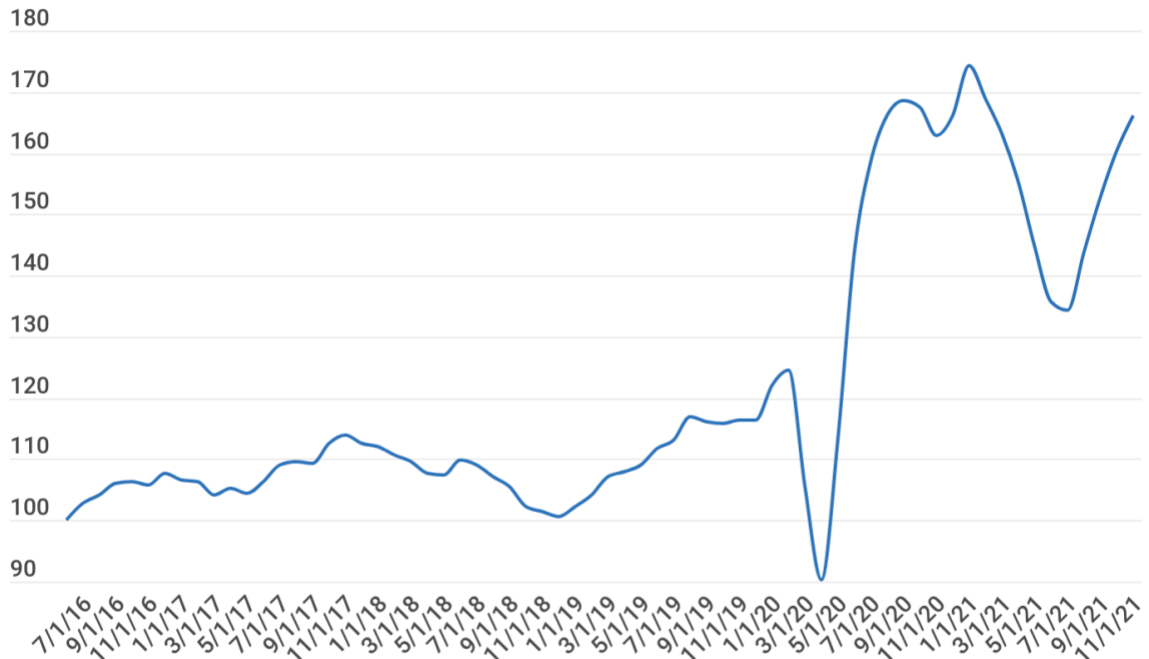
New Home Sales Grew 3.6% Month-Over-Month in November, Zonda Reports

—November's report captures the first month in five where new home sales are above 2020 levels—

Newport Beach, Calif., December 21, 2021—Today, the experts at [Zonda](#), the housing industry's foremost advisors, released the New Home Pending Sales Index (PSI) for November 2021. The New Home PSI shows pending sales grew month-over-month and year-over-year. The index is a leading residential real estate indicator based on the number of new home sales contracts signed across the country.

- The New Home PSI came in at 166.1 for November, representing a 2.0% increase from November 2020. The index is 42.5% higher than November 2019.
- On a month-over-month basis, seasonally adjusted new home sales posted growth from October to November, up 3.6%.
- The housing market is below peak activity seen in January 2021, but the gap is narrowing. The index is 4.6% below the recent peak and is 33.2% higher than the pre-pandemic high seen in February 2020.

New Home Pending Sales Index



Source: Zonda; Data is seasonally adjusted and as of November 2021



The New Home PSI is a unique measure of the housing market because it is made up of two components*: new home orders and the average sales rate per community. The new home orders component fell 12.9% year-over-year in November as supply continued to trickle lower. The average sales rate per community input rose positive for the first time since May 2021, increasing 3.4% year-over-year.

New home orders, which look at total sales volume, have been significantly impacted with ever decreasing active project count. In other words, sales are down because inventory is scarce. The average sales rate per community captures how well builders are selling at the open communities and strips out the supply side. Both components slipped on a non-seasonally

adjusted basis in November, a trend that is to be expected as sales typically slow later in the year.

“The New Home Pending Sales Index is back in the positive after five months where activity was trending below 2020 levels,” said Ali Wolf, Zonda’s chief economist. “The year-over-year increase in November sales was led entirely by the average sales rate component, which tells us that buyer demand still far outweighs available new home inventory.”

Pending new home sales trended above November 2020 levels in 16 of our 25 select markets, an increase from ten last month. Seventeen of 25 of our select markets increased month-over-month. Salt Lake City registered the largest month-over-month increase, jumping 31.6% but remains 13% below peak levels seen in July 2020.

New Home Pending Sales Index for select markets

Rank	METRO	SA MOM	SA YOY
1	New York	21.3%	40.8%
2	Orlando	2.0%	30.6%
3	Seattle	-0.1%	29.9%
4	San Francisco	6.4%	25.6%
5	Los Angeles/OC	1.9%	18.3%
6	San Antonio	4.2%	14.8%
7	Cincinnati	1.6%	12.3%
8	Riverside/San Bernardino	24.0%	12.3%
9	Phoenix	3.4%	9.5%
10	Philadelphia	-1.5%	9.3%
11	Tampa	6.5%	6.8%
12	Denver	1.8%	5.0%
13	Jacksonville	5.0%	4.2%
14	Washington, DC	-2.0%	3.6%
15	Houston	1.0%	2.8%
16	Austin	1.4%	2.3%
17	Raleigh	1.1%	-0.5%
18	Las Vegas	13.1%	-0.8%
19	Charlotte	-8.0%	-3.2%
20	Salt Lake City	31.6%	-4.5%
21	Sacramento	-2.0%	-6.9%
22	Baltimore	8.0%	-9.6%
23	Dallas	-1.8%	-19.2%
24	Atlanta	-4.4%	-22.0%
25	Minneapolis	-2.1%	-23.3%

Source: Zonda; Data is seasonally adjusted and as of November 2021



The relationship between the percent change in the average sale rate and new home orders can reflect an imbalance of supply and demand. Twenty four of 25 select markets posted a positive spread, indicating current levels of volume are being restrained by lack of supply. Sales

pace remains up year-over-year in 20 of Zonda's select markets, an increase from 11 last month. On the volume side, six metros posted an increase compared to last year, up from just one last month.

New Home Pending Sales Index Components for select markets

	New Home Orders	Average Sales Rate	Spread
Los Angeles/OC	-16.5%	32.0%	48.5%
Philadelphia	-19.4%	15.0%	34.4%
Atlanta	-44.2%	-10.4%	33.7%
Baltimore	-35.2%	-4.5%	30.7%
Charlotte	-25.1%	4.2%	29.4%
Cincinnati	-11.1%	17.3%	28.4%
Riverside/San Bernardino	-10.2%	17.3%	27.5%
Orlando	6.5%	33.4%	26.9%
Tampa	-17.7%	8.8%	26.5%
Raleigh	-20.5%	5.3%	25.8%
Jacksonville	-19.4%	6.1%	25.4%
San Francisco	7.4%	32.6%	25.2%
Salt Lake City	-19.4%	0.9%	20.3%
Dallas	-31.6%	-13.3%	18.3%
New York	26.4%	44.3%	18.0%
Washington, DC	-12.1%	5.5%	17.7%
Houston	-12.0%	5.4%	17.4%
Las Vegas	-16.8%	0.4%	17.3%
Seattle	17.0%	33.5%	16.5%
Austin	-10.1%	5.2%	15.3%
Denver	-10.2%	5.0%	15.1%
San Antonio	1.9%	12.7%	10.8%
Minneapolis	-31.1%	-23.4%	7.7%
Phoenix	0.9%	7.4%	6.5%
Sacramento	-7.1%	-14.2%	-7.1%

Source: Zonda; Data is not seasonally adjusted and as of November 2021



“Some seasonality has returned to the housing market, but the extent is less notable than compared to pre-COVID years,” said Wolf. “It is critical to track how buyers respond to high

home prices and rising interest rates, but for now, indications on the demand side point to a strong spring selling season for 2022.”

New home data is susceptible to outsized swings in contract activity based on shifts in the number of actively selling communities. As a result, Zonda normalizes the data to ensure consistency across the index. The New Home PSI blends the cumulative sales of active or recently sold-out projects with the average sales rate per community, which adjusts for fluctuations in supply. Furthermore, the New Home PSI is seasonally adjusted based on each markets’ specific seasonality and removes outliers. The index is baselined to 100 for June 2016. Today’s national New Home PSI is 66.1% above the base level.

The next Zonda New Home PSI press release, featuring December 2021 data, will be issued on Monday, January 20, 2022 at 9:00 a.m. ET.

*Note that the PSI calculation includes weights and seasonal adjustments. The year-over-year changes related to the components removes both and are just looking at the raw index values.

Methodology

The Zonda New Home Pending Sales Index (PSI) is built on proprietary, industry-leading data that covers 60% of the production new home market across the United States. Reported number of new home pending contracts are gathered and analyzed each month. Released on the 15th business day of each month, the New Home PSI is a leading indicator of housing demand compared to closings because it is based on the number of signed contracts at a new home community. Zonda monitors 18,000 active communities in the country and the homes tracked can be in any stage of construction.

The new home market represents roughly 10% of all transactions, allowing little movements in supply to cause outsized swings in market activity. As a result, the New Home PSI blends the cumulative sales of activity recently sold out projects with the average sales rate per community, which adjusts for fluctuations in supply. Furthermore, the New Home PSI is seasonally adjusted based on each markets’ specific seasonality, removes outliers, and uses June 2016 as the base month. The foundation of the index is a monthly survey conducted by Zonda. It is necessary to monitor both new and existing home sales to establish an accurate picture of the relative health of the residential real estate market.

About Zonda

Zonda provides data-driven housing market solutions to the homebuilding and multifamily industries. From builders to building product manufacturers, mortgage clients, and multifamily executives, we work hand-in-hand with our customers to streamline access to housing data to

empower smarter decisions. As a leading brand in residential construction, our mission is to advance the home building industry, because we believe better homes mean better lives and stronger communities. Together, we are building the future of housing.

###

For media inquiries or to schedule an interview with Chief Economist Ali Wolf:

Contact: Valerie Sheets

Email: vsheets@zondahome.com

Phone: 949-294-9557