



Economics Group

Mark Vitner, Senior Economist
mark.vitner@wellsfargo.com • (704) 383-5635
 Anika R. Khan, Senior Economist
anika.khan@wellsfargo.com • (704) 715-0575

New Home Sales Rebound in July

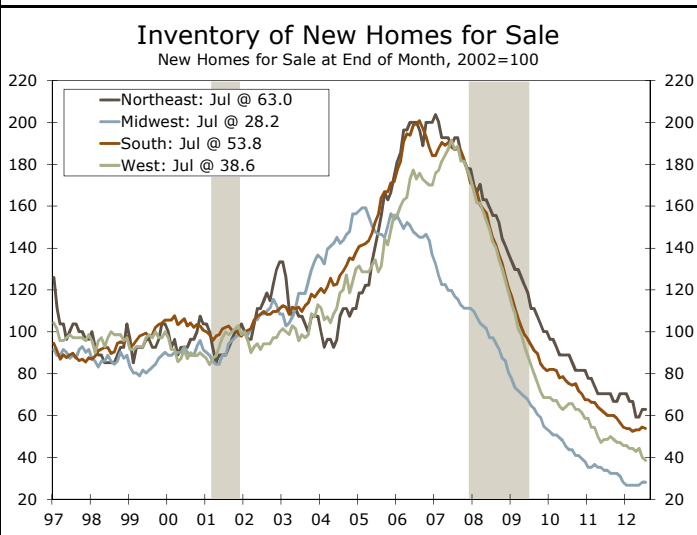
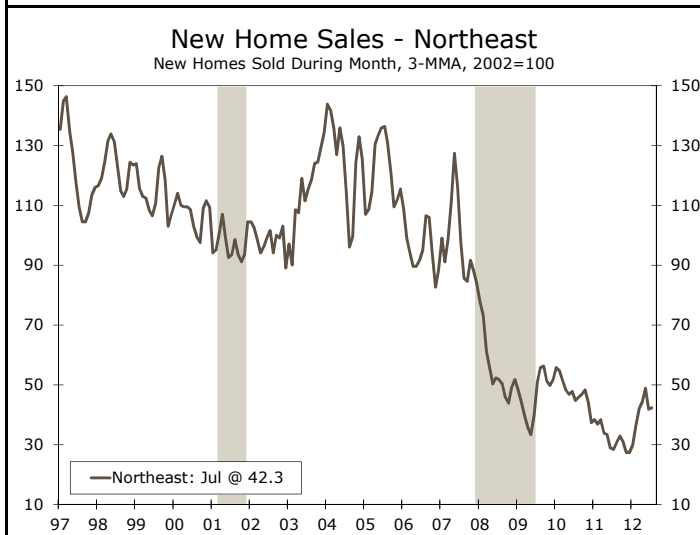
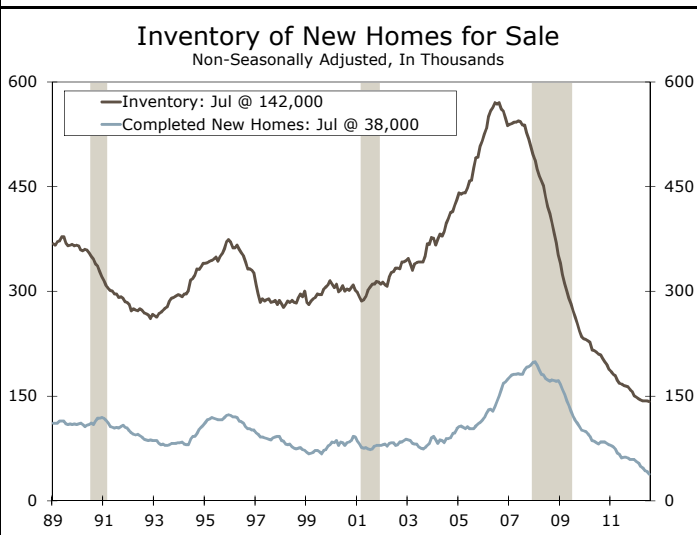
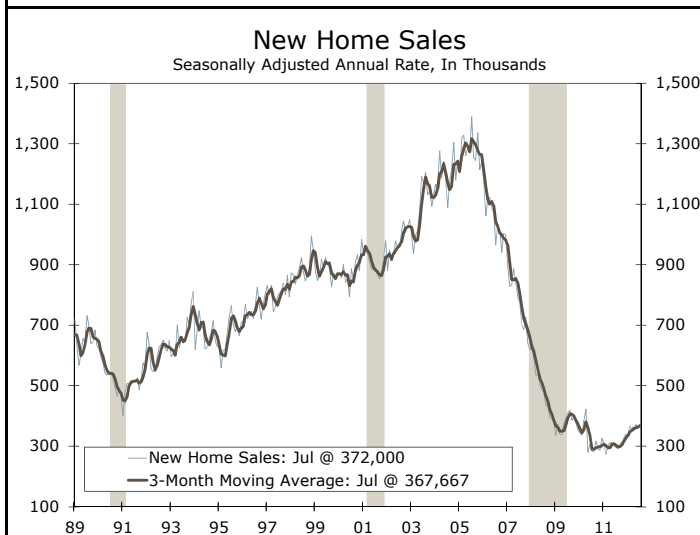
New home sales rebounded 3.6 percent in July, essentially reversing the previous month's drop. Sales bounced back in the Northeast and rose slightly in the Midwest but slid ever so slightly in the South and West.

Homebuilding Continues Its Slow March To Recovery

- New home sales rose 3.6 percent in July to a 372,000-unit pace, reversing a 3.5 percent drop in June. Most of the swing was in the Northeast, where the unseasonably mild winter has wreaked havoc with this year's seasonal adjustment process.
- On a three-month moving average basis, new home sales have ramped to a 367,667-unit pace. Even with the improvement, sales remain well below historic norms

Stronger Sales Have Further Reduced Inventories

- New home sales through the first seven months of this year are running 20.8 percent ahead of their year-ago pace. Sales are up 34.7 percent in the West, 29.1 percent in the Northeast, 19.7 percent in the Midwest and 14.0 percent in the South.
- Sales continue to work down builder inventory, which fell to a record low 142,000 homes in July. Completed inventory, which is where July's sales gain came from, fell to just 38,000 units.



Wells Fargo Securities, LLC Economics Group

Diane Schumaker-Krieg	Global Head of Research & Economics	(704) 715-8437 (212) 214-5070	diane.schumaker@wellsfargo.com
John E. Silvia, Ph.D.	Chief Economist	(704) 374-7034	john.silvia@wellsfargo.com
Mark Vitner	Senior Economist	(704) 383-5635	mark.vitner@wellsfargo.com
Jay Bryson, Ph.D.	Global Economist	(704) 383-3518	jay.bryson@wellsfargo.com
Eugenio Aleman, Ph.D.	Senior Economist	(704) 715-0314	eugenio.j.aleman@wellsfargo.com
Sam Bullard	Senior Economist	(704) 383-7372	sam.bullard@wellsfargo.com
Anika Khan	Senior Economist	(704) 715-0575	anika.khan@wellsfargo.com
Azhar Iqbal	Econometrician	(704) 383-6805	azhar.iqbal@wellsfargo.com
Tim Quinlan	Economist	(704) 374-4407	tim.quinlan@wellsfargo.com
Michael A. Brown	Economist	(704) 715-0569	michael.a.brown@wellsfargo.com
Sarah Watt	Economic Analyst	(704) 374-7142	sarah.watt@wellsfargo.com
Kaylyn Swankoski	Economic Analyst	(704) 715-0526	kaylyn.swankoski@wellsfargo.com
Peg Gavin	Executive Assistant	(704) 383-9613	peg.gavin@wellsfargo.com
Cyndi Flowe	Administrative Assistant	(704) 715-3985	cyndi.h.flowe@wellsfargo.com

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