



# Economics Group

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## New Home Sales Defy Winter Weather

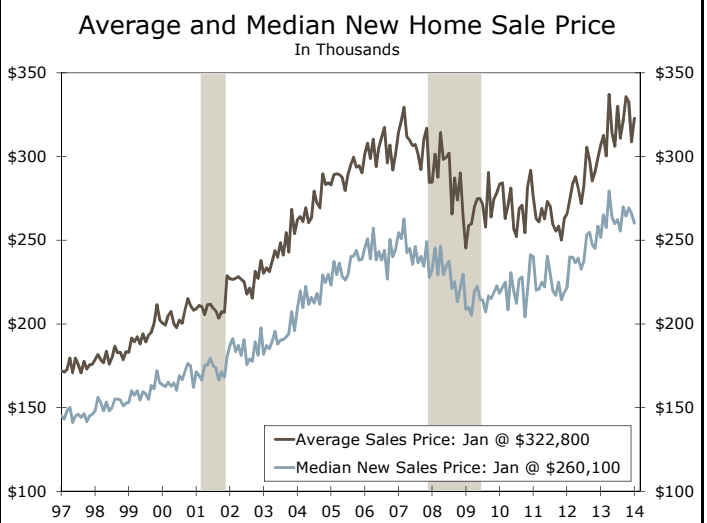
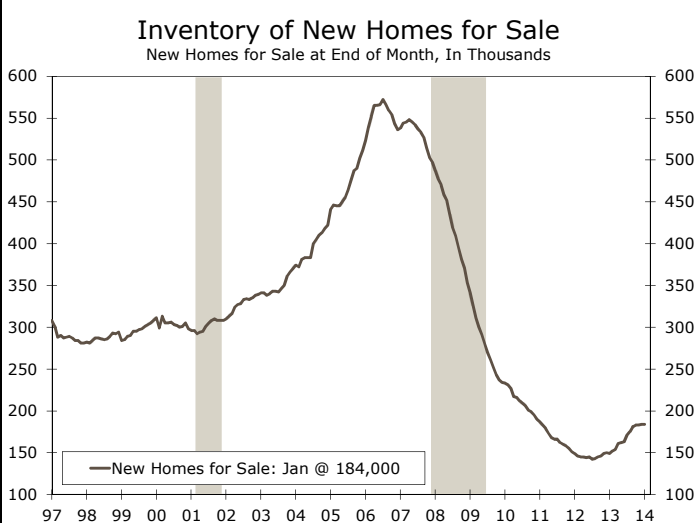
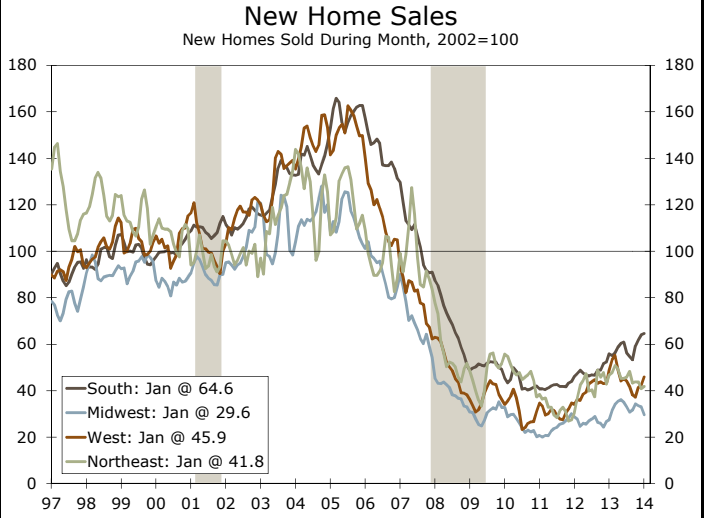
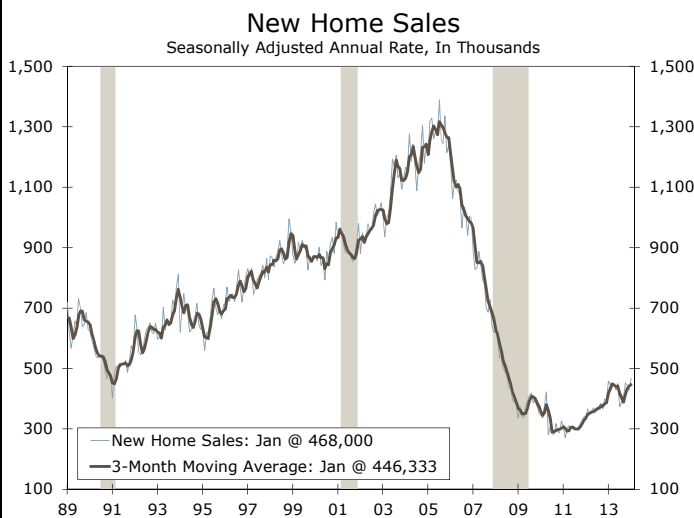
*New home sales jumped to a 468,000-unit pace in January from an upwardly revised 427,000-unit pace in December. Inclement weather did not appear to slow down new home purchases.*

### Housing Recovery Not Slipping Amid Icy Conditions

- January marked the highest pace of new home buying since the recovery began, defying expectations that more winter weather during the month would keep potential homebuyers away. A strong rise in purchases of homes not yet under construction may help explain the jump during inclement weather.
- Consumer confidence data revealed an increase in plans to purchase a new home, keeping the outlook bright for sales.

### Underlying Details Are Relatively Strong

- The only drop in sales was seen in the Midwest, where unusually cold temperatures were low enough to close schools in the typically cold-resistant Chicago area. All other regions saw sizable gains in January.
- The median new home sales price slipped to \$260,100, but still remains 3.4 percent higher than a year ago. Low inventories are still supportive of further price gains



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

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