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New Home Sales Retreated in May, April Revised Lower

New home sales dropped back in May after a reported 16.6 percent surge the previous month, an increase that was **revised down** from what was first reported. The U.S. Census Bureau and Department of Housing and Urban Development said sales were at a seasonally adjusted annual rate of 551,000 units, down 6.0 percent from April but 8.7 percent ahead of the same month last year. At the same time, the April number was revised down from the 619,000 units previously reported to 586,000, cutting the percentage increase by a third.

Analysts provided a wide range of estimates for the May number, from 500,000 to 610,000 but with a **consensus of 565,000**. In reporting the predictions gather by Econoday, Bloomberg noted that lack of supply has been limiting sales and permits for new home construction are rising at only a 5 percent pace.

The median price of a home sold during the month was \$290,400 and the average was \$358,900. In May 2015 the median price was \$287,400 and the average was \$340,800.

Sales in the **Northeast fell by 33.3 percent** compared to April but were 30.8 percent higher than a year earlier. In the **Midwest** there were increases of 12.9 percent and 16.7 percent for the two periods. The **South** saw sales dip a slight 0.9 percent from April but they were 13.3 percent above those in May 2015. Sales in the **West** were lower for both periods, by 15.6 percent month-over-month and 8.8 percent on an annual basis.

On a non-seasonally adjusted basis there were 51,000 newly constructed homes sold nationwide in May compared to 57,000 in April and 47,000 in May 2015. The vast majority of sales were in the South (29,000); the West was second with 12,000 units sold.

At the end of the reporting period there were 242,000 homes for sale nationwide, an estimated 5.3-month supply. Of those homes more than half (142,000) were under construction; only 58,000 were ready for occupancy. Homes sold in May were on the market a median of 3.7 months compared to 4.2 months in April.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.41%	-0.10	0.00
15 Yr. Fixed	6.84%	-0.06	0.00
30 Yr. FHA	6.88%	-0.11	0.00
30 Yr. Jumbo	7.60%	-0.07	0.00
5/1 ARM	7.50%	-0.05	0.00

Freddie Mac			
30 Yr. Fixed	7.17%	-0.27	0.00
15 Yr. Fixed	6.44%	-0.32	0.00

Mortgage Bankers Assoc.			
30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/1

Recent Housing Data

		Value	Change
Mortgage Apps	Apr 24	196.7	-2.67%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

		Value	Change
Builder Confidence	Mar	51	+6.25%