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NATIONAL ASSOCIATION OF HOME BUILDERS

NEW-HOME SALES UP IN APRIL FOLLOWING DOWNWARD REVISION IN MARCH

May 27, 2008 - Sales of newly built, single-family homes rose 3.3 percent in April to a seasonally adjusted annual rate of 526,000 units, the U.S. Commerce Department reported today. However, this gain reflected downward revisions to sales numbers reported for each of the previous three months, including a particularly large revision for March.

“The fact that new-home sales are up slightly from a dismal beginning to the spring home buying season in March isn’t much to celebrate,” said Sandy Dunn, president of the National Association of Home Builders (NAHB) and a home builder from Point Pleasant, W. Va. “We still need a great deal of help from the Administration and Capitol Hill to halt the downward trends in home sales and house prices that are producing such a drag on our nation’s economy and disrupting financial markets.”

“The modest bounce-back in new-home sales recorded for April followed a sharp decline in March and belies the fundamental weakness that continues to exist in the nation’s housing market,” added NAHB Chief Economist David Seiders. “Indeed, sales were down 42 percent on a year-over-year basis, the largest such reversal since September 1981. Our latest builder surveys actually show that home buying has not yet stabilized, and we are anticipating some further erosion over the coming months. Certainly, the need remains for Congress to approve targeted policy stimulus, in the form of a temporary tax credit for home buyers and other measures, and to do this as quickly as possible.”

April’s preliminary sales pace of 526,000 units was equivalent to the previously reported sales pace for March. However, Commerce this month revised March’s reading substantially downward to 509,000 units – 11 percent below the revised February reading.

Sales rose in three out of four regions in April. The Northeast posted a 41.7 percent gain that erased an equivalent decline in the previous month, while the Midwest and West recorded gains of 5.8 percent and 8.3 percent, respectively. The South, which is the nation’s largest housing market, posted a 2.4 percent decline.

The inventory of new homes for sale declined 2.4 percent in April to 456,000 units, which is a 10.6-month supply at the current sales pace. Completed homes accounted for 40 percent of total new homes for sale, up from 33 percent a year earlier, and the median number of months for sale since completion rose to 8.0 – the highest since mid-1991.