



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 Post A Better-Than-Expected Result in April

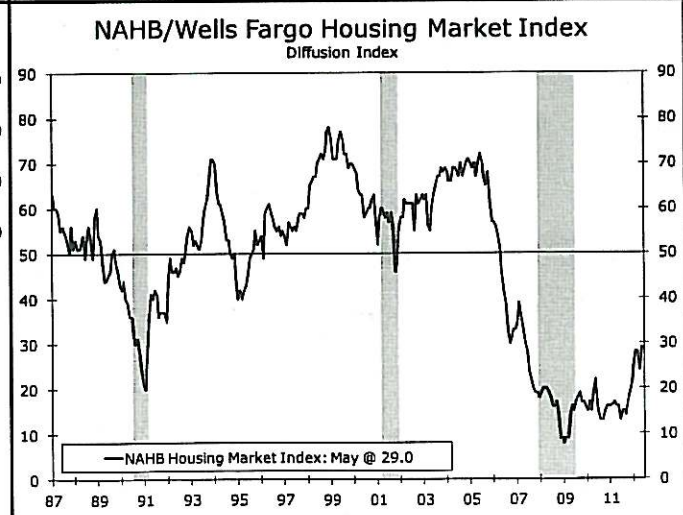
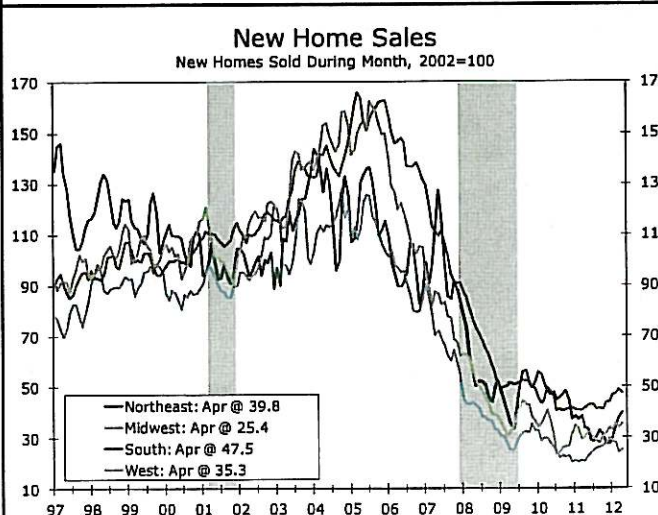
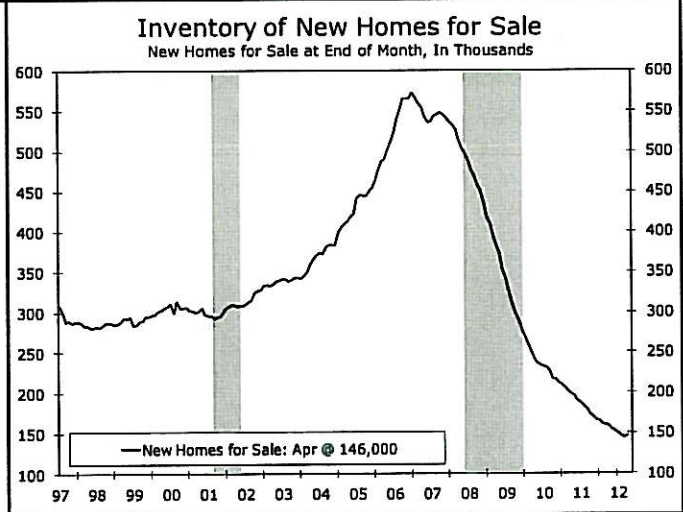
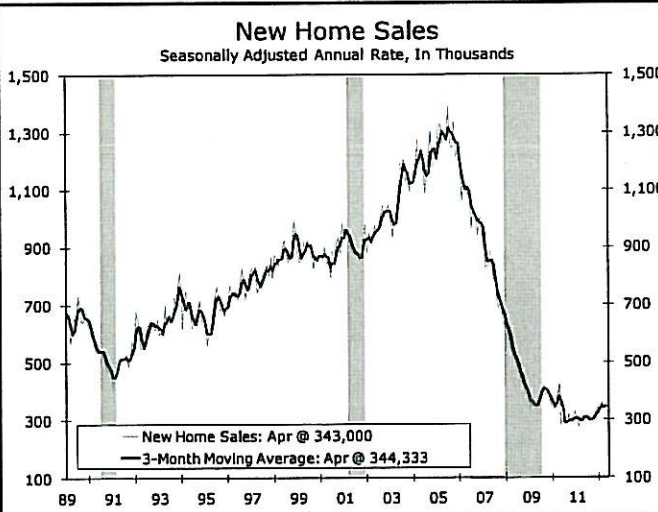
New home sales rose 3.3 percent in April to a 343,000-unit annual rate. Revisions to previous months' data show activity was a bit better than first reported. We continue to expect improvement in the coming months.

New Home Sales Activity Should Continue to Improve

- Following a pullback in March, the critical homebuying season appears to be off to a good start, with new home sales up 3.3 percent in April. New home sales activity rose in every region with the exception of the South. Sales in the South fell 10.6 percent on the month and are now at their lowest level since October 2011. In a separate report, the FHFA reported that U.S. home prices were up 1.8 percent in March.

Builder Confidence Reaches Precession Levels

- The number of new homes available for sale rose to 146,000 units in April, the first increase since early 2007. The increase in inventory coincides with a boost in builder confidence, which is now at its highest level since May 2007. Builders appear to be a little more confident, as buyer traffic has picked up and the share of existing distressed sales continues to decline. That said, builders remain cautious and continue to focus on key markets.



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