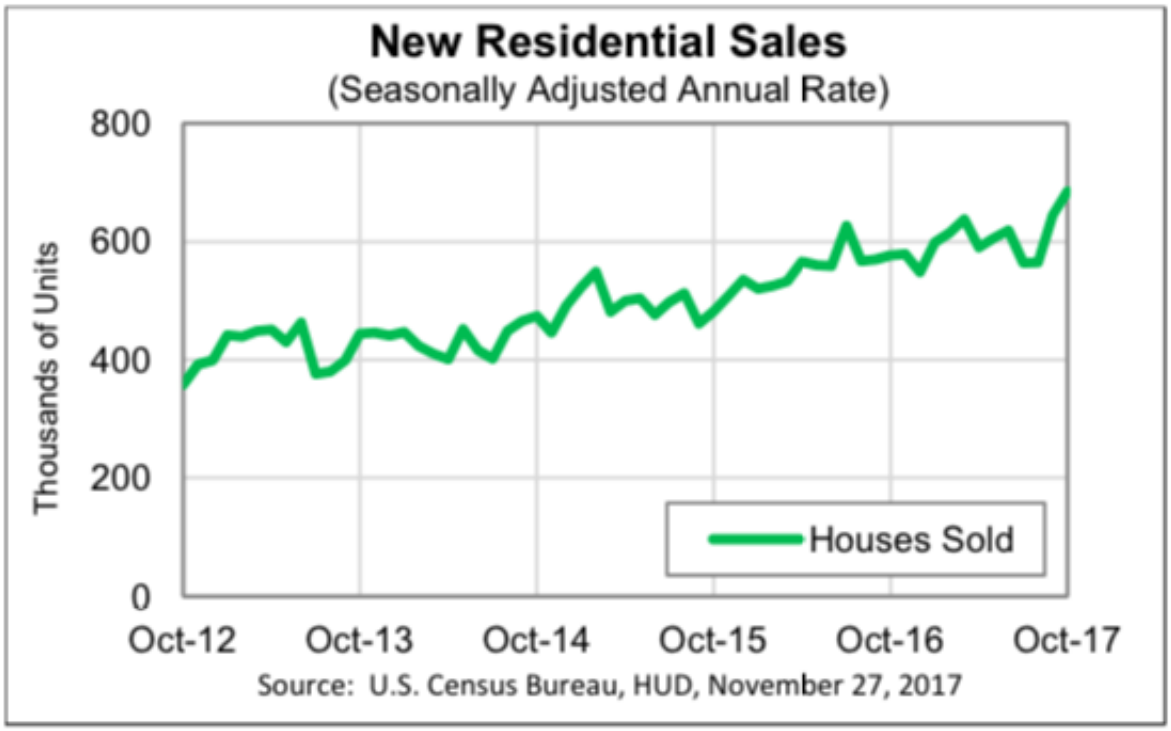
Average new home price tops $400k for first time ever

The U.S. Census Bureau today released its October 2017 new residential sales report, which boasted an average home sales price of $400,200 — the highest since March 2007's average of $329,400.



The sales of new single-family houses in October 2017 were at a seasonally adjusted annual rate of 685,000. This is 6.2 percent (+/- 18.0%)* above the revised September 2017 estimate of 645,000, and 18.7 percent (+/- 23.5%)* above the October 2016 estimate of 577,000.

The estimate of new homes for sale at the end of October was 282,000, which represents a 4.9-month supply at the current sales rate.

Realtor.com Chief Economist Danielle Hale says although the number of new homes for sale has moderately increased (+3,000), buyers won't receive a break from excessive home prices in the immediate future. But she says the uptick in demand should rouse builders to construct more homes, leading to increased affordability down the line.

"The pick-up in new home sales should improve builder confidence and lead to more home construction, offering home buyers additional options and creating opportunities for current owners to trade into new homes, potentially unleashing existing home inventory," said Hale in an emailed

statement.

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“The number of existing homes for sale according to realtor.com data are down 8 percent from a year ago in October and increasing availability of homes for sale would be welcomed by home shoppers.”

Other data from the Census Bureau and HUD:

- The average sales price was $312,800.
- The Northeast led the way in new residential home sales, with a 30.2 (+/- 89.3)* percent month-over-month increase. The Midwest experienced the second highest rate of month-over-month growth at 17.9 (+/- 41.5)* percent.
- The West and South shored up the end of the pack with 6.4 percent (+/- 38.6)*and 1.4 percent

(+/- 18.3)* growth month-over-month, respectively.

The Census Bureau and HUD use sample surveys to collect data for their home sales, which means this data is subject to sampling variability as well as the typical statistical variance. * The survey is based on a sample of houses pulled from building permits. “Sales” are defined as deposits taken or sales agreements signed, not necessarily closings.

Email Marian McPherson.

Source: click here