



U.S. new home sales rise sharply in June

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WASHINGTON (Reuters) – Sales of new single-family homes in the United States rose more than expected in June, while the inventory of homes for sale fell to a more than 11-year low, government data showed on Monday.

Sales rose to an annual rate of 384,000 in June, the Commerce Department reported, up 11 percent from May, while the number of new homes still for sale fell to 281,000, the lowest since February 1998.

"The data will reinforce the developing thinking that housing market has bottomed and that the economy has stabilized and will grow in the third quarter," said Jim Awad, managing director at Zephyr Management in New York.

"In the cocktail of the market, it will be viewed positively and will add credence to the bulls, who think we will have a rebound in the markets going forward," he said.

Despite the encouraging data, the median sale price for a new home fell to \$206,200, down 5.8 percent from the previous month, and down 12 percent from a year ago.

Courtesy of JB Goodwin