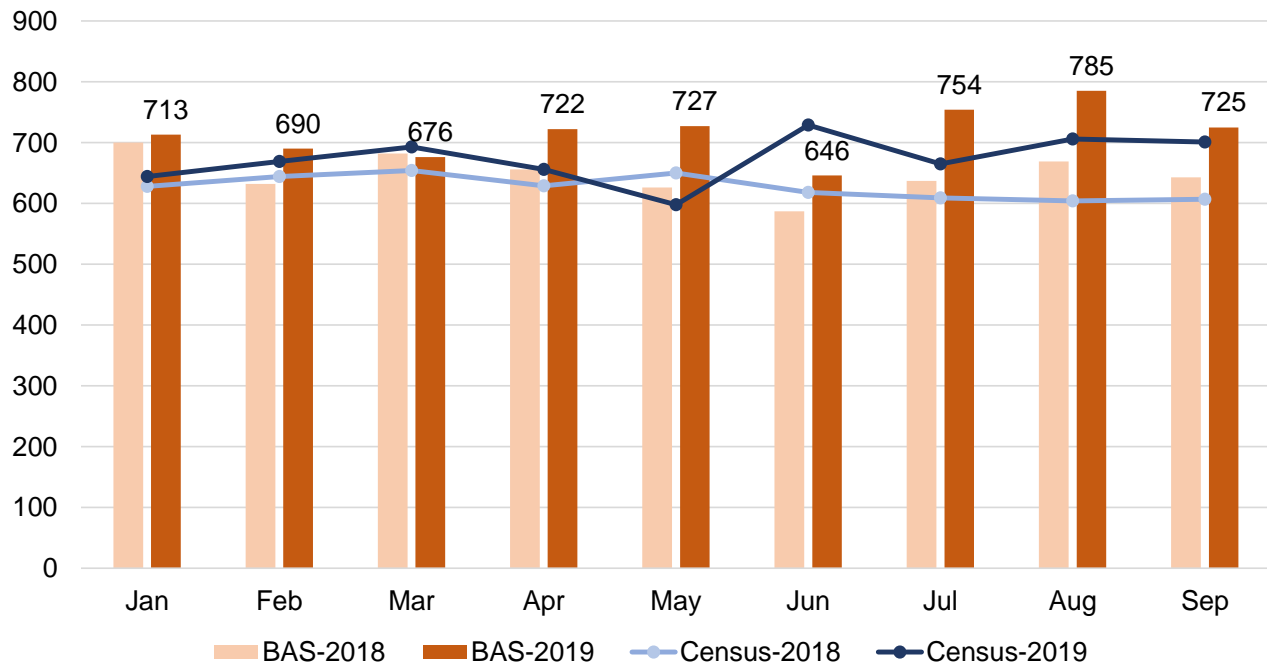


Chart of the Week- October 25, 2019
 Builder Application Survey versus Census New Home Sales
 Seasonally Adjusted Annual Rate, Thousands



Source: MBA Builder Applications Survey

According to data from our [Builder Applications Survey \(BAS\)](#), new home purchase activity fell in September but remained higher than a year ago, continuing a trend where purchase demand for new homes for sale this year have consistently outpaced year ago levels. The U.S. Census Bureau series for new home sales has also shown a similar trend of year-over-year growth, and tracks closely to our BAS estimates shown in this week’s chart.

In a separate report from Census earlier this month single-family starts remained robust, increasing slightly to a pace of 918,000 units – the highest since May 2019. However, the increase in single-family starts was solely concentrated in the South. Most of the country still needs more new construction to meet job growth and demand. It is promising that single-family permits continued to rise, increasing for the fifth consecutive month.

This strength in new construction and new home sales should continue in the final months of the year, as a combination of a strong job market and low mortgage rates continue to create housing demand. The pick-up in new construction is a welcome sign that builders are moving to meet this demand. Buyer interest has been particularly robust among first-time homebuyers, whose share of home sales continues to increase. Millennials’ interest in homeownership is strong, and should continue to support home sales growth heading into next year.