

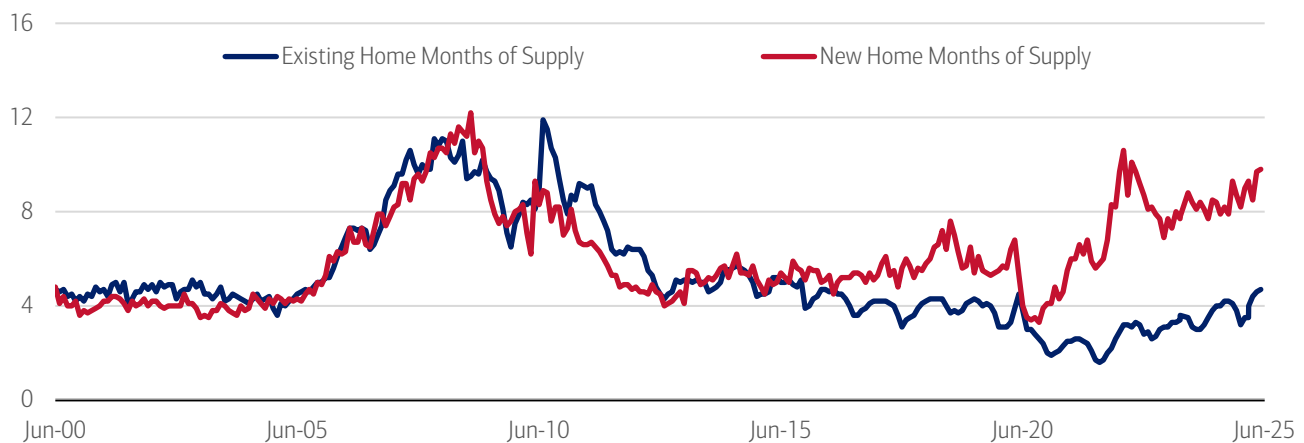
Institute Daily Insights

Rising new home supply pressures prices and starts

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Overall housing supply has steadily increased year to date through June. Existing home supply is 4.7 months, the highest since July 2016, and new home supply is 9.8 months, the highest since 2022

Existing and new home months' supply (SA)



Source: BofA Global Research; Census Bureau, National Association of Realtors

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New housing demand remains sluggish, with lack of buyer urgency, job instability and affordability challenges all cited by builders, according to BofA Global Research. Meanwhile, housing inventory is rising and new home inventory hit its highest levels since 2007.

This is also resulting in downward pressure on the prices of new homes relative to existing homes – the median new home price is now lower than the median existing home price. In turn, builders are pulling back on new home starts in many markets according to BofA Global Research, though some regions like the Midwest are holding up better than others.

Learn more about these developments and to what extent Fed cuts could impact housing by listening to [Global Research Unlocked](#) wherever you get your podcasts.

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