USA TODAY — THE GREENVILLE NEWS
TUESDAY, MARCH 24, 2015

AMERICA'S M

What to watch

February new-home sales hurt by weather

Adam Shell
USA TODAY

It's hard to shop for a brand-new home with that drop-dead kitchen and family room big enough to accommodate a 100-inch HD TV when you're trapped inside your existing home due to Ice Age-like weather conditions that limit your movement and quash your motivation to do anything but stay inside, eat and watch TV.

That's kind of what held back new-home sales in January and also sales of existing homes in the first two months of 2015, a period when the Northeast and Midwest were inundated with weather alerts, icy roads, snowstorms and bitter cold temperatures.

While existing-home sales in February ticked up 1.2% to an annualized pace of 4.88 million units, sales were below the 4.92 million economists forecast. Sales in the Northeast and Midwest were again "significantly affected by severe winter weather," UBS economist Maury Harris told clients Monday after the sales data were released. Sales were also hurt by tight inventories and continued difficulty for some homeowners to gain access to credit.

A similar story on ho-hum sales is expected today when February new-home sales data are released.

While new-home sales in January fell just 0.2%, despite a nearly 52% collapse in purchases in the Northeast due to severe weather, a decline of 2.3% is expected in February.

"It looks like annualized new-home sales may have fallen again in February to around 470,000 units, from 481,000," says Andrew Hunter of Capital Economics.