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NAHB Survey: Hitting the wall?

The March NAHH Housing Market Survey undershoots expectations, with the headline index holding steady (Consensus: +1 point; Decision Economics: +2 points) at a February level revised downward by one point.

The February headline revision was evidently a matter of rounding, with neither the present-time nor the next-six-month sales indexes, nor the prospective-buyer traffic index revised at all in the whole-number levels presented.

From those levels, the March present-time sales index slipped one point, the next-six-months sales index rose two points, and the prospective-buyer-traffic index held steady.

These results seem to put a lid on what had been an unbroken string of large increases in the indexes since September--obviously, some sobering of enthusiasm among builders on the ground.

The national results rule, but there appears to have been a notable isolation of any big attitude shift to the Western region--where the headline index dropped ten points, after having jumped twenty-two last month. Other regions showed increases of at least two points.

In any case, responses in this survey have been much more exuberant than the improvement in "harder" housing data--new home sales and one-family starts--would suggest is reasonable. Some consolidation of the gains was in order--and the important news today is that high levels of the indexes were maintained.

There was no outright deflation of sentiment--suggesting that reality of the market is not grim enough to knock confidence back down. Maybe reality is beginning to catch up to confidence.

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