



29 July 2014

HIA New Home Sales Head Higher in June Quarter

New home sales took a step higher in the month and quarter of June 2014, said the Housing Industry Association, the voice of Australia’s residential building industry.

The HIA New Home Sales Report, a survey of Australia’s largest volume builders, shows an increase of 1.2 per cent in the month of June 2014 and a rise of 2.0 per cent in the June quarter. Sales of multi-units drove the monthly result, surging by 15.9 per cent. Detached house sales fell by 1.0 per cent in June.

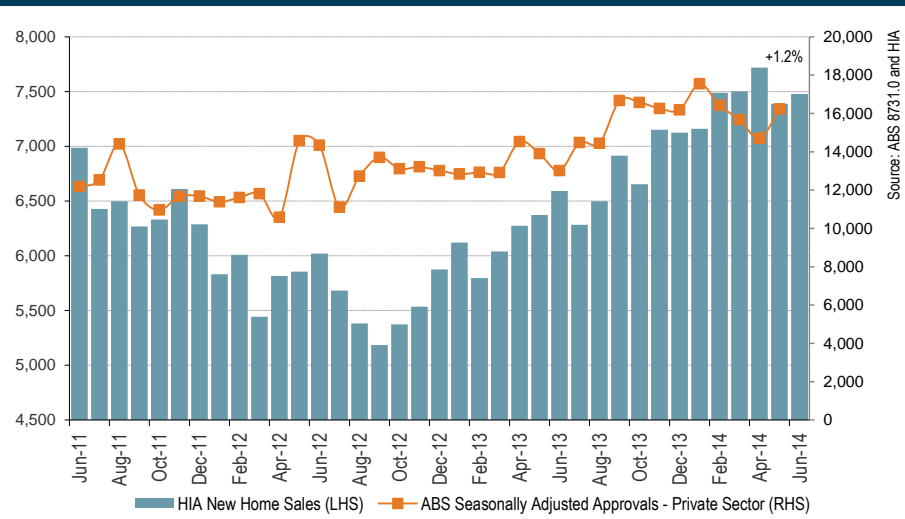
“Detached house sales increased by 2.6 per cent in the June 2014 quarter despite falling in the final month,” said HIA Chief Economist, Dr Harley Dale. “That is a healthy note on which to finish the fiscal year.”

“Further, albeit modest growth in detached house sales last quarter, together with very elevated multi-unit sales, augers well for new residential construction in addition to wider elements of the domestic economy,” Harley Dale remarked. “Detached house sales increased in four out of five mainland states in the June quarter, another pleasing aspect to observe.”

“The new home building sector will provide a healthy contribution to broader economic growth in 2014/15,” said Harley Dale. “As the recovery enters its third year, the magnitude and duration of the current new home building upcycle is less certain than would usually be the case at this juncture. The share of medium/high density construction is higher and there are considerable delays occurring in the availability of titled land for detached and semi-detached housing.”

In the month of June 2014, private detached house sales fell in two out of five mainland states. There was a decline of 3.2 per cent in New South Wales and of 4.2 per cent in Victoria. Detached house sales increased by 1.8 per cent in Queensland, 1.3 per cent in South Australia, and 2.2 per cent in Western Australia. In the June 2014 quarter, detached house sales increased in NSW (+0.4 per cent), Victoria (+4.1 per cent), Queensland (+6.6 per cent), and WA (+4.1 per cent). Detached house sales fell by 8.4 per cent in South Australia in the June quarter, perhaps an insight into the possibility that SA may be the most vulnerable new home building market in the second half of 2014.

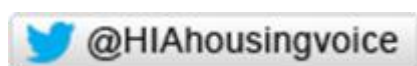
PRIVATE NEW DWELLING SALES - AUSTRALIA (SEASONALLY ADJUSTED)



For further information please contact:
Harley Dale, Chief Economist

0414 994 186

For copies of the publication (media only) please contact: Kirsten Lewis on k.lewis@hia.com.au



MEDIA RELEASE