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HIA New Home Sales – losing their lustre

The HIA New Home Sales Report, a survey of Australia’s largest volume builders, recorded a relatively sharp decline of 5.3 per cent in February 2016, said the Housing Industry Association – the voice of Australia’s residential building industry.

“This latest result is a larger than desirable fall,” said HIA Chief Economist, Dr Harley Dale. “HIA New Home Sales are losing some of their lustre as a downward trend becomes more firmly entrenched.”

“While the monthly result is a soft one, there is no need to loudly ring alarm bells as often seems to automatically occur every time an economic update disappoints,” noted Harley Dale.

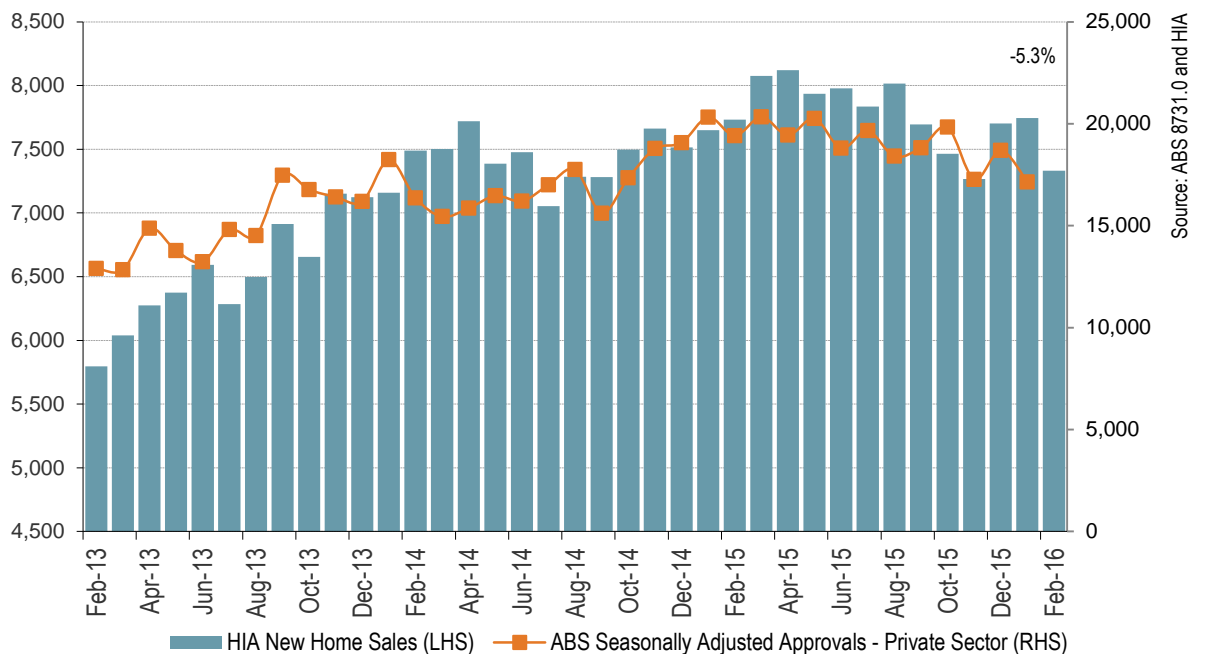
“New home sales are down, but far from out. Over the three months to February 2016, the sale of detached houses increased by 1.8 per cent. The sale of multi-units nudged up by 0.8 per cent over the same period.”

“What we need to keep a watchful eye on are the signals that will shortly begin to emerge for 2016/17 from key leading housing indicators like new home sales and building approvals,” concluded Harley Dale. “Stage one of a down cycle in new home building will be moderate, but signs of a sharper contraction in subsequent stages may emerge as the year progresses.”

Seasonally adjusted detached house sales fell by 3.9 per cent in February 2016, while the sale of ‘multi-units’ dropped by a sharper 10.6 per cent. In the month of February 2016 detached house sales increased in by 1.7 per cent in Victoria and by 1.8 per cent in Western Australia. Detached house sales fell by 7.4 per cent in New South Wales, 12.1 per cent in Queensland, and 3.5 per cent in South Australia.

MEDIA RELEASE

PRIVATE NEW DWELLING SALES - AUSTRALIA (SEASONALLY ADJUSTED)



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