



the voice of the industry

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MEDIA RELEASE

### Confidence Returning to Housing Market

“New home sales bounced back in September to return to levels seen during the latter half of 2018,” stated HIA Economist, Angela Lillicrap.

The HIA New Home Sales report – a monthly survey of the largest volume home builders in the five largest states – is a leading indicator of future trends in the residential building industry.

“Sales increased for the second consecutive month by 5.7 per cent. Despite these lifts, they remain down by 1.5 per cent compared to the June 2019 quarter,” added Ms Lillicrap.

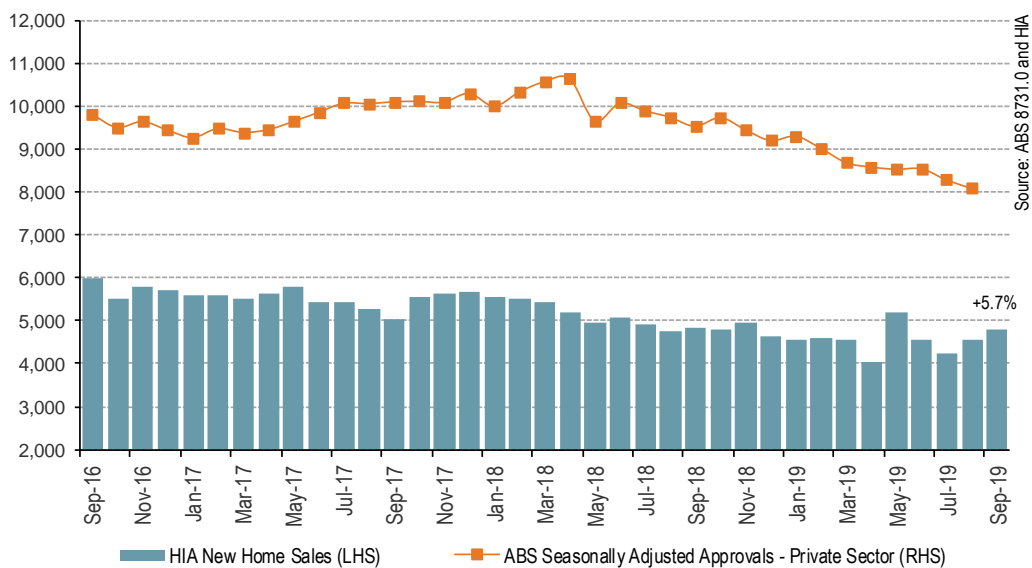
“This improvement in sales is a welcome reprieve from the steady decline that emerged in late 2018. It remains too soon to confirm that we have passed the bottom of the cycle, but this result does highlight that we are not likely to see further material falls in new home sales.

“The easing of APRA’s lending restrictions and the RBA’s rate cuts have started to have a positive impact on the new home market.

“With the addition of the Governments First Home Loan Deposit scheme likely to see an additional increase in first home buyer activity, we expect that the improvement in new home sales will be sustained,” concluded Ms Lillicrap.

Across the country, new home sales increased for the month in all the states except for New South Wales which declined by 12.1 per cent to be flat (-0.3 per cent) for the quarter. Victoria increased by 11.0 per cent, Queensland by 1.7 per cent, South Australia by 18.0 per cent and Western Australia increased by 13.6 per cent during September. These gains were not enough to offset earlier weak results with Queensland being the only state to experience a significant increase (+6.9 per cent) compared to the previous June quarter. Victoria declined by 4.7 per cent and South Australia by 5.4 per cent. New South Wales and Western Australia were relatively steady compared to the previous quarter, down by 0.3 and 1.0 per cent respectively.

PRIVATE NEW HOUSE SALES - AUSTRALIA (SEASONALLY ADJUSTED)



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