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01 April 2019

MEDIA RELEASE

New Home Sales Trending Down

“New home sales remained subdued in February, with just a 1.0 per cent increase across Australia, against a downwards trend that has been evident since the end of 2017,” stated HIA’s Chief Economist, Tim Reardon.

The HIA New Home Sales report – a monthly survey of the largest volume home builders in the five largest states – provides an early indication of trends in the residential building industry.

“New home sales had been at elevated levels for a number of years until they began to cool at the end of 2017,” added Mr Reardon.

“More recently the market has entered a significant downturn as other factors – regulatory restrictions, credit squeeze and falling market confidence – have accelerated this downturn.

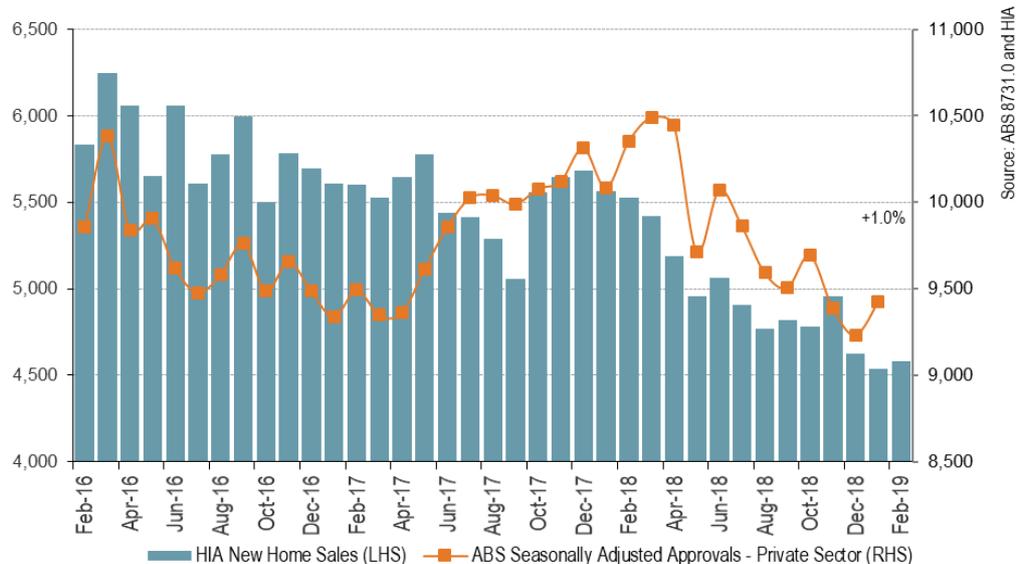
“Sales for the three months to February are now 18.1 per cent lower than at the same time last year. Approvals for new homes, which is a trailing indicator of new home sales, show the market is 8.1 per cent lower than in the same three month period a year earlier.

“With these lower levels of sales and approvals, the building work in the pipeline is being completed rapidly.

“This downward cycle is still expected to trough well above the long term average as long as the effects of the credit squeeze start to moderate and sales pick up over the course of 2019,” concluded Mr Reardon

The HIA New Home Sales report for February shows that across the states Victoria (2.5 per cent), South Australia (7.5 per cent) and Western Australia (5.1 per cent) all experienced an increase in new home sales compared to the previous month. Queensland was the hardest hit seeing a decrease of 5.5 per cent, while New South Wales saw a moderate decrease of 1.7 per cent.

PRIVATE NEW HOUSE SALES - AUSTRALIA (SEASONALLY ADJUSTED)



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