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MEDIA RELEASE

## New Home Sales: Glimmer of Light at the End of the Tunnel

“HIA New Home Sales is the latest among a string of indicators showing an improvement in housing market conditions,” said HIA Economist, Diwa Hopkins

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.

“The residential building industry can be optimistic that activity will stabilise in 2020 after sustaining two years of fairly sharp decline,” added Ms Hopkins.

“New home sales in the three months to November 2019 were 2.8 per cent higher than in the previous three months, but still 5.7 per cent lower than in the same period in 2018.

“The improvement in sales is occurring alongside increases in home lending and a return to growth in housing prices in the key Sydney and Melbourne markets.

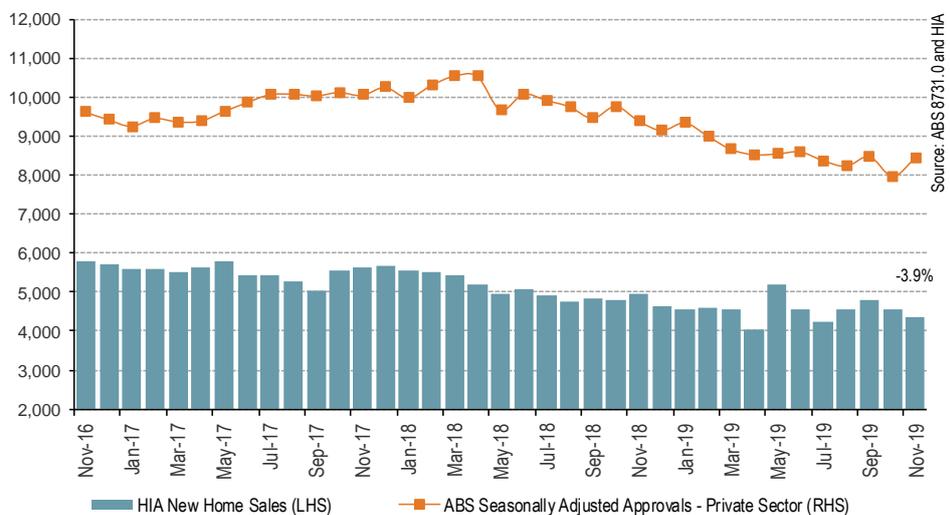
“The withdrawal of APRA’s counter-cyclical regulatory interventions, followed by a fresh round of cuts to the official interest rate were among measures which arrested previously-deteriorating market conditions.

“Add to that federal income tax cuts and then the government issuing its first tranche of first home loan deposit guarantees, and a growing number of households previously sitting on the margins of the housing market are finding they can now enter.

“This recovery in overall housing market conditions looks set to support demand for new homes, with building activity set to stabilise in 2020 before returning to growth further down the track,” concluded Ms Hopkins.

Across the country, private detached house sales in the three months to November 2019 were higher than in the previous three months in Western Australia (+14.4 per cent), Queensland (+2.0 per cent) and Victoria (+1.6 per cent). Detached house sales in New South Wales and South Australia declined over this period, by 0.5 per cent and 2.5 per cent, respectively.

PRIVATE NEW HOUSE SALES - AUSTRALIA (SEASONALLY ADJUSTED)



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