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MEDIA RELEASE

## New Home Sales Lose Momentum in March

“New home sales fell sharply in March as consumer confidence declined to be down 23.2 per cent compared to the previous month,” stated HIA’s Chief Economist, Tim Reardon.

“New home sales data can vary significantly each month, particularly due to changes in consumer confidence. Purchasing a new home is a significant life decision and unless households feel confident in their employment, they tend to delay the decision to build.

“Despite the sharp contraction in sales in the month of March, new home sales for the three months to March remain just 0.9 per cent lower than the same pre-Federal election quarter in 2019.

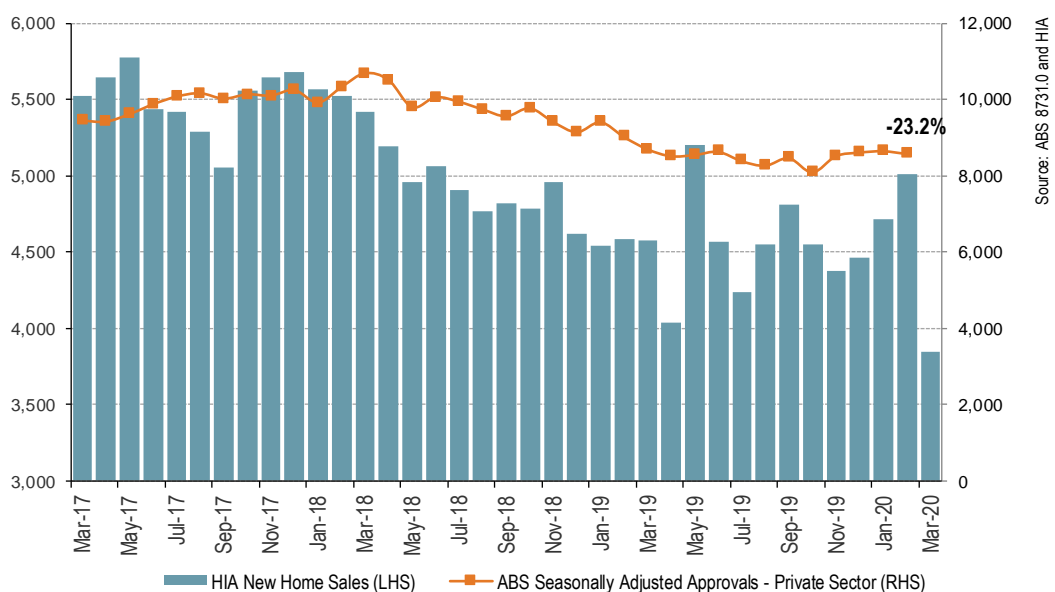
“Prior to March, the housing market was gaining momentum and new home sales had been improving. Leading indicators including building approvals, house prices and housing finance data all showed that the market was starting the new decade strongly.

“The decline in sales in March can be seen across all the states ranging from Western Australia which experienced the biggest decline of 31.6 per cent to Victoria which had a 16.9 per cent decline.

“Consumer confidence, overseas migration and population growth are central to the outlook for the residential building industry. Until there is certainty about when the economy will be ‘restarted’, including a return of overseas students, it is difficult to forecast the magnitude of a decline in residential building activity,” concluded Mr Reardon.

Across the country, private detached house sales in the March 2020 quarter were lower than in the previous three months in New South Wales (-1.0 per cent) and Victoria (-0.1 per cent). Detached house sales remained slightly higher than in the December 2019 quarter in Western Australia (+5.8 per cent), Queensland (+3.1 per cent) and South Australia (+1.4 per cent).

PRIVATE NEW HOUSE SALES - AUSTRALIA (SEASONALLY ADJUSTED)



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