

MEDIA RELEASE



14 October 2020

New Home Sales slow in WA

New home sales fell in September for Western Australia following an initial surge after the building stimulus schemes were announced, HIA WA Executive Director Cath Hart said today.

WA's new home sales declined 11.5 per cent in the month of September 2020, while sales for the quarter were 36.8 per cent higher than the June quarter, and 147.5 per cent higher than the same period last year.

HIA WA Executive Director Cath Hart said the decline was not directly due to lower consumer demand.

"The decline in new home sales in September is because many builders are capping their monthly sales," Ms Hart said.

"They're doing this so they can navigate shortages in titled land and labour, and delays in lending and local government, as they try to meet the difficult timeframes required for work to start on site for the grants.

"Even with those caps in place, they're still worried that some consumers will miss out because industry is struggling to meet the required timeframes to start work.

"That's why we're seeking an extension for the start times on site for the schemes - we're not asking for more money, just more time to deliver.

"Doing this would extend the economic benefits of these hugely successful schemes into 2022, while giving consumers confidence to make these significant investments, as well as providing support for the safety and sustainability of our workforce."

Despite activity moderating last month, Ms Hart said new home sales in WA still remained at historic highs, with consumers benefiting from the combination of HomeBuilder and the Building Bonus.

"We saw a sharp increase in sales straight after the stimulus packages were announced which propelled activity from an historic low to an historic high in a short space of time," Ms Hart said.

"Sales over the four months that the schemes have been operating are 143.5 per cent higher than the previous four months, and well above levels that we have seen for many years."

For more information, please contact:

HIA WA Executive Director Cath Hart 0409 680 880

HIA WA Media Adviser Madeleine Palm 0432 637 002