

MEDIA RELEASE



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Lockdowns weigh on new home sales in July

“New Home Sales fell by 20.5 per cent in July, with declines experienced in almost all major states,” stated HIA Economist Tom Devitt.

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 detached home construction.

“With lockdowns in multiple states restricting trade and eroding confidence, it is not surprising that fewer people were able to visit display homes,” added Mr Devitt.

“Despite this poor result in July, sales for the three months to the end of July are only marginally lower than at the same time in 2020 when the first positive impacts of HomeBuilder were emerging. Sales for the three months also remain 4.3 per cent higher than at the same time in 2018, which was a relatively solid year for home building.

“This solid level of sales following the end of HomeBuilder suggests that demand for detached housing remains robust despite the poor result in July.

“Low interest rates and changes in consumer preference for location of housing have been the major drivers for activity following the end of HomeBuilder.

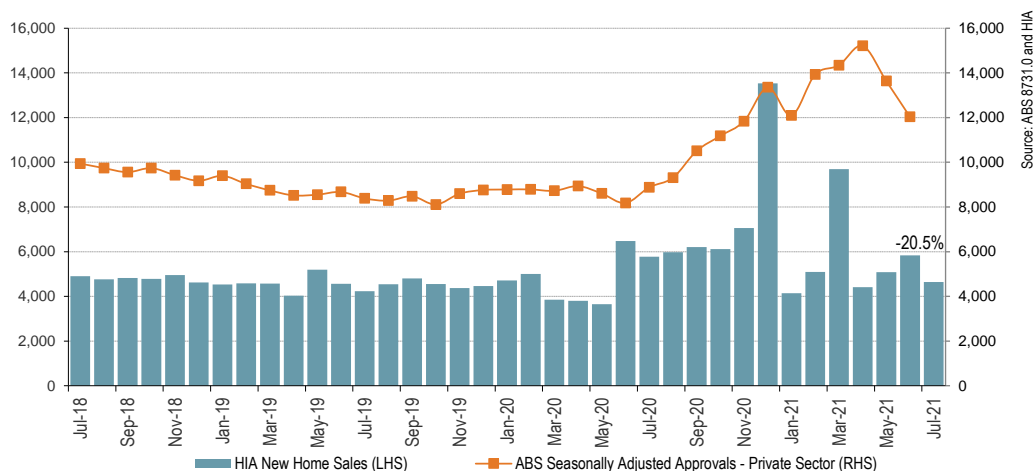
“Sales data over coming months will indicate if recent lockdowns have impaired consumer confidence or if this July result is an anomaly.

“ABS Housing Finance data and Approvals data indicate that the bulk of projects initiated by HomeBuilder have cleared the final regulatory hurdles. There is now a record number of homes under construction across the country,” concluded Mr Devitt.

Western Australia was the only state to see an increase in New Home Sales for the month of July, up by 8.5 per cent. This was accompanied by declines in New South Wales (-14.8 per cent), Queensland (-25.4 per cent), South Australia (-29.4 per cent) and Victoria (-32.2 per cent).

States performed much better when comparing the last three months to the same period in 2018. Western Australia was up by 34.0 per cent, followed by New South Wales (+12.5 per cent), Victoria (+10.9 per cent), South Australia (-11.5 per cent) and Queensland (-30.2 per cent).

PRIVATE NEW HOUSE SALES - AUSTRALIA (SEASONALLY ADJUSTED)



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