19 April 2021

March Madness Sees New Home Sales Spike

"New Home Sales were 39.4 per cent higher in the March 2021 quarter than the same time the previous year," stated HIA's Economist, Angela Lillicrap.

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.

"HomeBuilder, combined with low interest rates, changing population dynamics and improving market confidence, led to strong sales through to the end of 2020," added Ms Lillicrap.

"In December 2020, there was a near record volume of new home sales as households rushed to finalise contracts to build a new home before the end of the $25,000 grant.

"This same effect can be seen in March as households rushed to get access to the $15,000 grant.

"Over the year to March 2021, sales increased by 42.6 per cent compared to the previous year. This indicates a strong level of building activity will occur in 2021 and into 2022, providing employment to the construction sector and supporting the broader economy.

"HomeBuilder has brought forward demand for new homes. As a consequence, sales over the coming months are expected to cool from recent highs.

"Demographic shifts in population towards regional areas will continue to drive demand for new detached homes. Strong house price growth recently has also sparked FOMO in buyers which will also support the industry," concluded Ms Lillicrap.

Sales in the March 2021 quarter increased across all the five largest jurisdictions compared to the same time the previous year. South Australia was up by 90.6 per cent, followed by Queensland (+54.9 per cent) and Victoria (+41.9 per cent). New South Wales increased by 24.7 per cent and Western Australia is up by 15.2 per cent over the same period.

For further information please contact:
Angela Lillicrap, Economist   0404 406 567
Nicholas Ward, Senior Economist   0421 048 038

PRIVATE NEW HOUSE SALES - AUSTRALIA (SEASONALLY ADJUSTED)

Source: HIA

90.3%

HIA New Home Sales: 3 months rolling total