

MEDIA RELEASE



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Strong new home sales in June quarter

“New Homes Sales in June 2021 jumped 15.3 per cent to be 11.2 per cent higher in the quarter than the same time in 2019,” stated HIA 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.

“The strength of new home sales nationally suggests that there will be a significant number of new homes entering the pipeline post HomeBuilder which will ensure activity remains elevated into 2022,” added Ms Lillicrap.

“Sales in the June 2021 quarter are below the levels experienced during the nine months of the HomeBuilder program but are stronger than the same quarter in 2019. Sales are also on par with the June 2018 quarter, which was a strong year for detached home building.

“Record low interest rates and confidence in the housing market are driving demand from owner occupiers.

“Strong house price growth is also a contributing factor. Households enter into a contract to build with the expectation that house prices will continue to grow and the property will be worth more when it is completed.

“The strength in new home sales is not occurring evenly across the states.

“New home sales in New South Wales and Western Australia were over a third higher in the June 2021 quarter compared to the same time in 2019. Sales in Queensland were 4.4 per cent higher compared to the June 2019 quarter, while Victoria is flat (down by 0.1 per cent). South Australia had the strongest response to HomeBuilder, but sales since the end of the program remain lower by 14.4 per cent compared to the June 2019 quarter.

“This strong volume of sales will continue to pull the national economy forward,” concluded Ms Lillicrap.

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PRIVATE NEW HOUSE SALES - AUSTRALIA (SEASONALLY ADJUSTED)

