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Quarterly business survey in the real-estate development - January 2019

In January 2019, developers' opinion on demand for new dwellings worsens again sharply

In January 2019, many more developers than in October 2018 deem that the demand for new dwellings is low. The corresponding balance of opinion has decreased again sharply and has reached its lowest level since July 2015, far from its long-term average.

Prospects for housing starts keep darkening

In January 2019, the outlook for housing starts for the next three months has kept darkening. The corresponding balance has decreased again, reaching its lowest level since July 2015, below its long-term average. In detail, the balance on housing starts for sale has sharply dropped while that on housing starts for rent has decreased slightly. Both balances have gone below their average. At the same time, fewer developers than in October 2018 have indicated an increase in unsold dwelling stocks. The corresponding balance has slipped back and has practically returned to its long-term average.

Fewer developers indicate an increase in average new housing price

Fewer developers than in October have indicated a rise in the average price of new dwellings for sale; the corresponding balance of opinion has diminished for the third consecutive quarter and stands a shade above its long-term average. About funding, slightly more developers than in October 2018 consider that downpayment to acquire a new dwelling has decreased during the last few months, the balance standing below its long-term average. Finally, fewer developers than in October 2018 think that the financing capacity to purchase new housing will increase over the next quarter, the balance going below its long-term average.

Real-estate development economic outlook

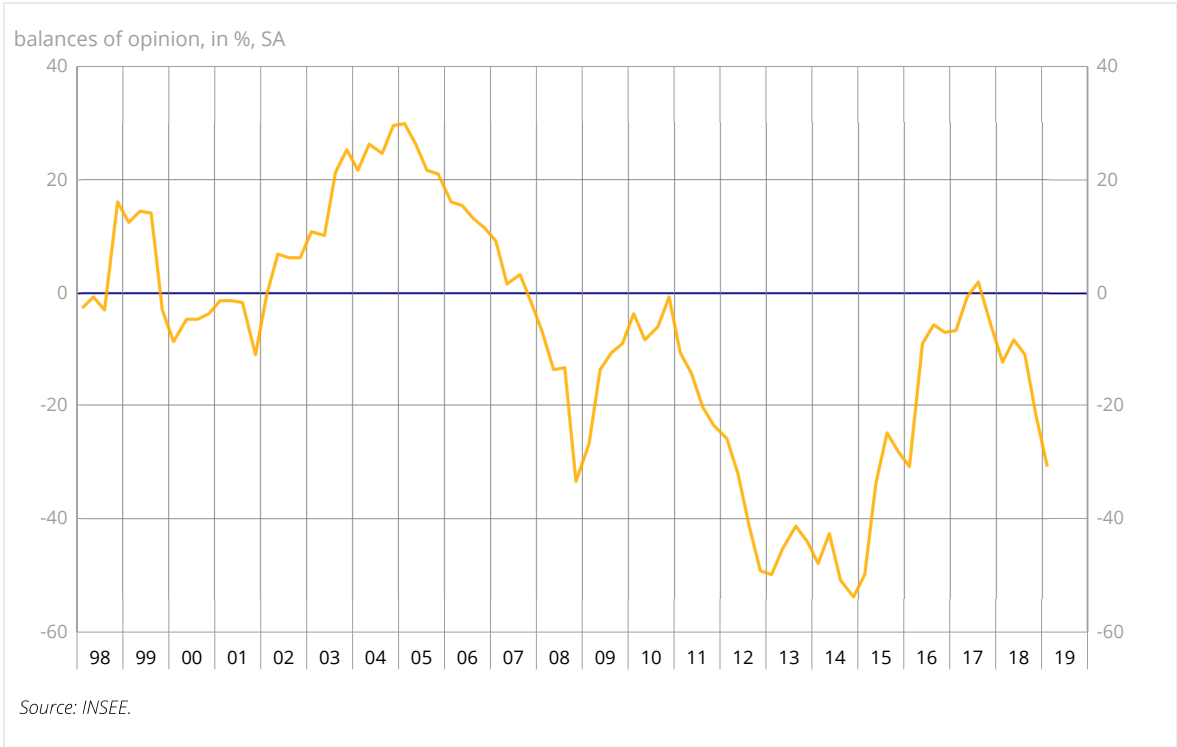
Balances of opinion, in %, SA

	Mean*	April 18	July 18	Oct. 18	Jan. 19
New dwelling demand	-9	-8	-11	-22	-31
Expected housing starts	-7	-10	-4	-9	-16
- for sale	-15	-16	-12	-13	-24
- for rent	0	0	12	1	-1
Unsold dwelling stock tendency	-26	-29	-26	-19	-25
Housing average price for sale	5	15	10	9	6
Downpayment	-20	-12	-18	-21	-23
Financing capacity	-21	-16	-16	-20	-26

* Mean since July 1991.

Source: French business survey on real-estate development - INSEE

New dwelling demand tendency



For further information

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