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## MARGINAL RISE IN NEW HOME SALES

After 5 falls in the past 6 months, new home sale rose marginally in October, just before the third interest rate rise.

HIA's New Home Sales figures released today show that strong improvements in the New South Wales, Victoria and Queensland markets pushed the sale of new homes and units among Australia's largest builders and developers up by 1.3 per cent in October to 7,434 dwellings.

Private detached house sales increased by 4.6 per cent while sales of multi-units fell by 16 per cent.

Australia's peak building industry body, HIA, said that the October result was however still weak and the volume of sales are still well below the peaks experienced in the first quarter of 2006.

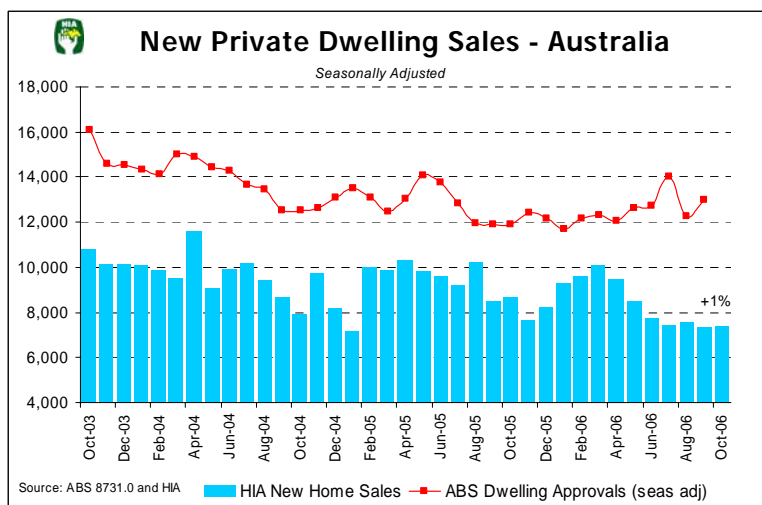
HIA's Executive Director of Housing and Economics, Mr Simon Tennent, said that the spread of results across states continues to reflect the dual nature of Australia's economic growth and housing affordability story.

"New home sales were resilient in the eastern states as house prices continue to grow in line with consumer prices," Mr Tennent said.

"New detached house sales were up strongly in New South Wales, Victoria and Queensland in October, but the accelerating house price growth and land constraints in Western Australia continues to see the new home sales market struggle to meet the needs of first home buyer," Mr Tennent said.

"The real test will be in the first quarter of 2007 when the combined affect of three interest rate rises start to squeeze household budgets, particularly in the resource-poor states," Mr Tennent added.

HIA's New Home Sales Survey is compiled from a sample of the largest 100 residential builders in Australia and is the most leading indicator on new housing activity. For the month of October, detached house sales fell by 21.9 per cent in Western Australia and 0.9 per cent in South Australia. Detached house sales rose by 16.7 per cent in New South Wales, 15 per cent in Victoria and 8.5 per cent in Queensland.



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\*\*\*For a full copy of the New Home Sales Report (media only) or for an annual subscription, please contact Kirsten Lewis on (02) 6245 1393 or [k.lewis@hia.com.au](mailto:k.lewis@hia.com.au)