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STABLE RATES LIFT NEW HOME SALES

The stable interest rate environment of earlier this year has helped to lift new home sales across the country.

HIA's New Home Sales figures released today show that the sale of new homes and units among Australia's largest builders and developers increased by 2.9 per cent in February to 8,193 dwellings.

Private detached house sales rose by 3.9 per cent, while the sale of multi-units fell by 4.2 per cent.

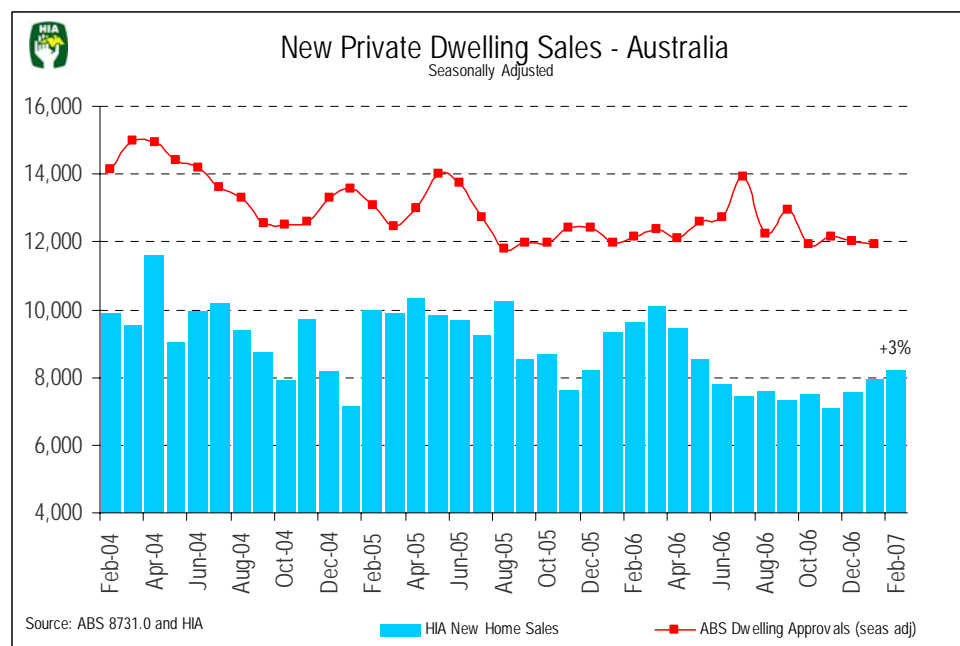
Australia's peak building industry body, HIA, said 3 consecutive increases is welcome news and it's the first time in 9 months that sales have tipped the 8,000 mark.

HIA Executive Director of Housing and Economics, Mr Simon Tennent, said however that the figures are unlikely to signal the end of the slump in sales as interest in new homes is typically stronger at the start of each year.

"There is cautious optimism among most volume home builders across the nation however buyers are still acutely aware that they are not out of the woods yet following the most recent interest rate pressure," Mr Tennent said.

"Affordability still looms large and there is simply no room to move after saving a deposit and covering the upfront purchase costs," he 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. See page two for the state specific results.





- **New South Wales**

New home sales rose for the third consecutive month, up a strong 16.9 per cent in February.

The strong results meant that sales were 5.6 per cent higher over the three months to February when compared to the three months to November but the level of sales was 21.4 per cent lower than the three months to February 2006.

- **Victoria**

New home sales rose marginally in Victoria, the third consecutive rise in new home sales, up 0.7 per cent in February.

The pick up in the number of sales over the past two months has meant that new home sales have been stronger over the three months to February, up 8.6 per cent on the three months to November. Sales were well off in the three months to February 2007, when compared to the three months to February 2006 down 13.5 per cent.

- **Queensland**

New home sales were lower in February, down 3.4 per cent, however the result follows a significant rise in sales in January.

Over the three months to February, sales were an impressive 13.5 per cent higher than the three months to November. Exceptionally strong results at the beginning of 2006 meant that new home sales were lower over the three months to February 2007 than the three months to February 2006, down 12.7 per cent.

- **South Australia**

The decline in new home sales in January was offset by an equivalent increase in sales in February, with new home sales rising 7.6 per cent.

Over the three months to February, sales were up by 7.6 per cent when compared to the three months to November. Nevertheless sales have remained well down on early 2006 figures, with new homes sales over the three months to February 2007, down by 23.7 per cent on the three months to February 2006.

- **Western Australia**

New home sales were up significantly in February in Western Australia, with the volume of sales up 11.2 per cent from January. It is unlikely however, that there will be a sustained recovery in the number of sales throughout 2007.

Weak results at the end of 2006 meant that new home sales were stronger over the three months to February when compared to the three months to November, with sales up 18.0 per cent. Sales were however significantly lower when compared to the three months to February 2006, down 10.7 per cent.



For further information please contact:

Simon Tennent, HIA Executive Director of Housing and Economics, on 0419 445 557

Website: <http://economics.hia.asn.au>

***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