

30 July 2007

NEW HOME SALES END FY ON SOFT NOTE

New home sales eased in June and were down sharply over the financial year.

HIA's New Home Sales figures released today show a 0.8 per cent easing in the sale of new homes and units among Australia's largest builders and developers, sales dropping back to a level of 8,321 dwellings for June.

HIA Chief Economist, Mr Harley Dale, said that the sale of multi-units dropped by 20.1 per cent in June, cancelling out the improvement over the previous two months. Private new detached house sales increased by 2.3 per cent following a 6.9 per cent decline in May.

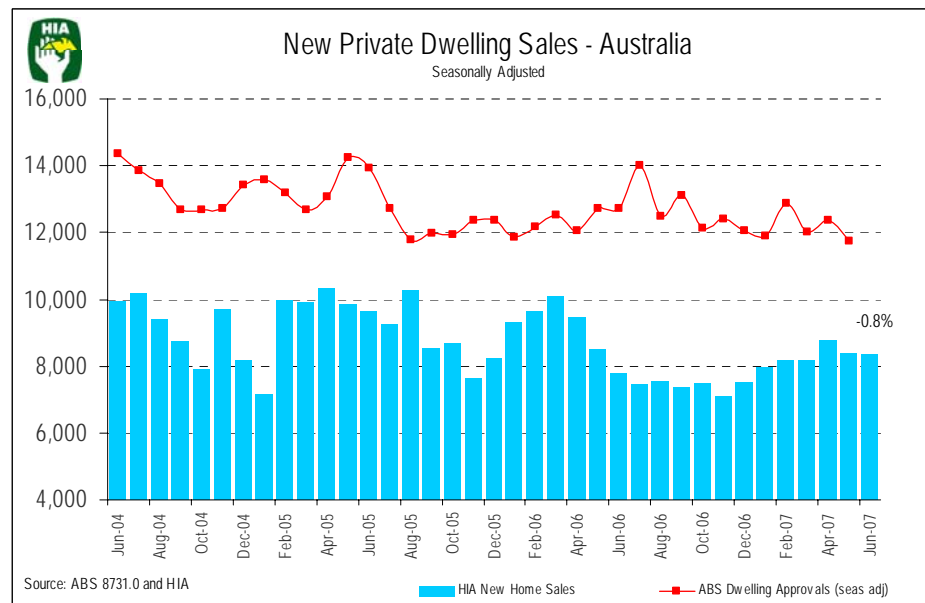
Sales fell by 12 per cent over the 2006/07 financial year.

"New home sales is the first financial year update for new housing in Australia and shows a considerable weakening in conditions over 2006/07," Mr Dale said.

"This update is a telling indictment of the impact record low housing affordability is having on the home building industry," said Mr Dale.

"Addressing the shortfall in supply is critical to alleviating the housing affordability crisis. Investment support from the Federal Government is critical in achieving this," Mr Dale 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 further information please contact:

Harley Dale, HIA Chief Economist, on 0414 994 186

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