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NEW HOME SALES STILL WEAK IN JULY

New home sales posted only a marginal rise at the start of the new financial year.

HIA's New Home Sales figures released today show a 1.5 per cent increase in the sale of new homes and units among Australia's largest builders and developers, sales reaching a level of 8,441 in July.

HIA Chief Economist, Mr Harley Dale, said that sales for the more volatile multi-units sector rose by 13.5 per cent in July, partially reversing a weak end to last financial year. Sales of detached houses were down by 0.1 per cent.

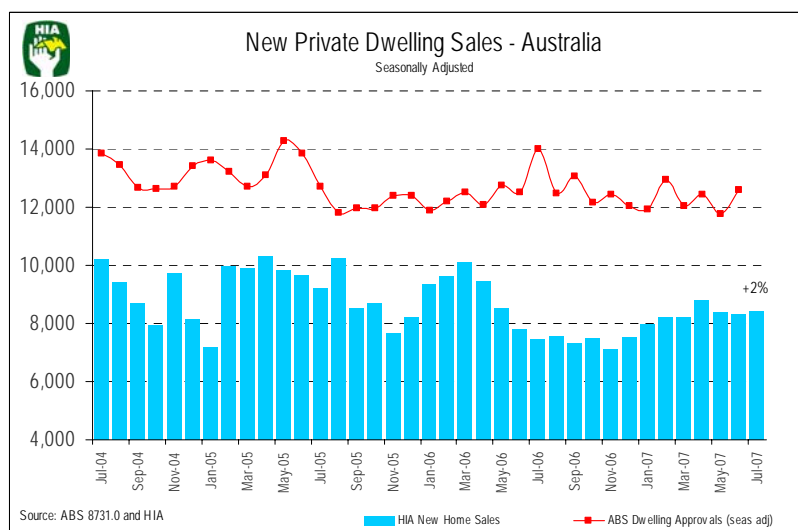
"New home sales only inched higher at the start of 2007/08 and that's before the negative impact of the August rate hike. Detached house sales were effectively flat which has generally been the case all year," Mr Dale said.

"This is a disappointing first update on the home building industry in the new financial year, suggesting a recovery remains some distance off," said Mr Dale.

"Record low housing affordability is crippling the new residential sector and it is crippling the chances of new aspirants achieving the goal of home ownership," Mr Dale added.

"Equally concerning is the fact that investors have not re-entered the market in acquiring new detached houses for what is already a very tight pool of rental stock. For renters of both detached and other types of housing a significant increase in supply is essential to turning around the affordability crisis."

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.



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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