

20 September 2007

NEW HOME SALES SIGNAL FURTHER WEAKNESS

New home sales dipped sharply in August.

HIA's New Home Sales figures released today show an 8.6 per cent fall in the sale of new homes and units among Australia's largest builders and developers, sales hitting a level of 7,712 in August, the lowest seen since January.

Detached home sales fell by 8.9 per cent in July to their lowest level since December last year. Sales of apartments were down by 6.8 per cent and continue to display effectively a flat trend.

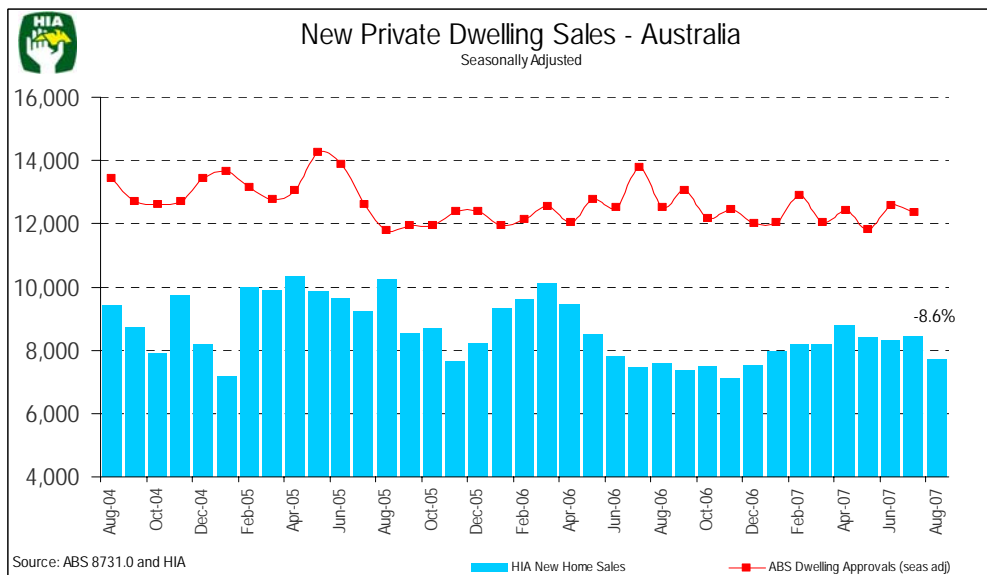
HIA Chief Economist, Mr Harley Dale, said that there is a pressing need to restore housing affordability and an increase in the supply of new affordable housing is essential.

"HIA has long promoted policies to encourage and reward higher savings on the part of budding first home buyers, to increase investment by all levels of government in residential infrastructure, and to provide practical incentives to increase the supply of affordable rental housing," Mr Dale added.

"New home sales are trending down again and a failure to arrest this decline could see sales levels hit fresh lows for the cycle by the end of 2007," Mr Dale said.

"At a time when we urgently need a recovery in first home buyer affordability and an increase in the stock of rental properties, leading indicators such as new home sales continue to portend further deterioration in new housing activity," said Mr Dale.

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