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## NEW HOME SALES WEAKEN IN SEPTEMBER QTR

New home sales rose in September, but not enough to prevent a fall over the quarter.

HIA's New Home Sales figures released today show a 9.9 per cent monthly rise in the sale of new homes and units among Australia's largest builders and developers, but sales fell over the quarter.

Despite the recovery from the slump in August, new home sales for the September quarter were down by 3 per cent.

Detached home sales increased by 14.5 per cent for the month but weak outcomes in both July and August meant that the bounce was insufficient to prevent a 2 per cent fall over the quarter. Sales of apartments slumped by 21.5 per cent in September and were down by 10 per cent over the quarter.

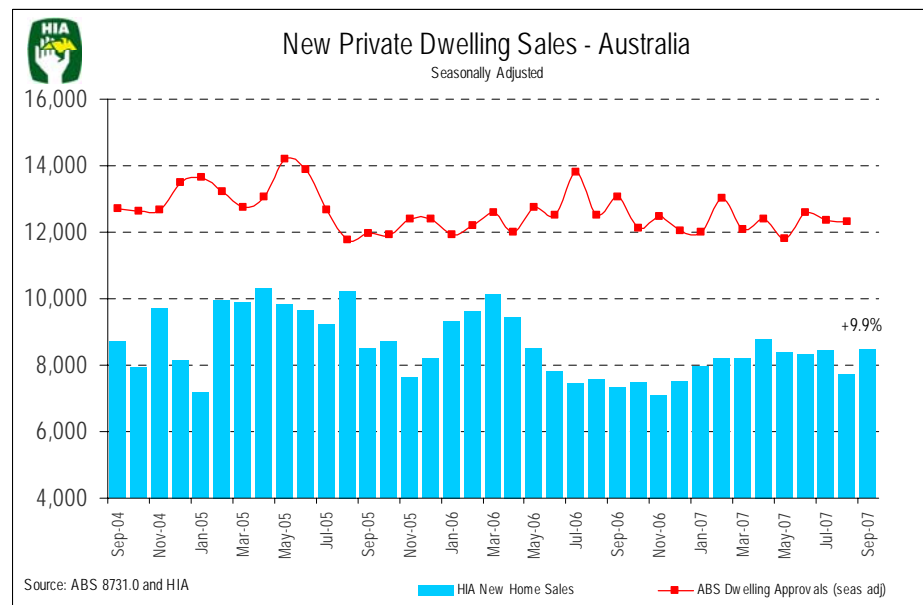
HIA Chief Economist, Mr Harley Dale, said that the September bounce did little to alter the flat profile for new home sales over 2007.

"Through the inevitable ups and downs you see from one month to the next, there has been no recovery emerge for detached house sales over 2007 to date and the situation for the multi-unit market is worse now than it was in 2006," Mr Dale said.

"Rising interest rates are certainly a negative for the industry. However, the high cost of serviceable land and the excessive level of taxes, fees and charges on new housing are preventing a much-needed recovery in new home building irrespective of where we are in the interest rate cycle," Mr Dale said.

"The result will put further upward pressure on existing housing stock, which is bad news for aspiring first home buyers and is also bad news for those already facing rent stress," 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](mailto:k.lewis@hia.com.au)