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CoAG to discuss housing supply measures

Another disappointing month in New Home Sales figures released for the month of November shows a 2.6 per cent fall in the sale of new homes and units among Australia's largest builders and developers. The result highlights the need for actions to increase the supply of affordable dwellings.

HIA's Senior Executive Director – Industry Policy, Chris Lamont said, it's certainly a positive step for Thursday's Council of Australian Government meeting to discuss the Federal Government housing commitments including the National Affordable Rental Scheme and the Housing Affordability Fund, both aimed at increasing the supply of new dwellings.

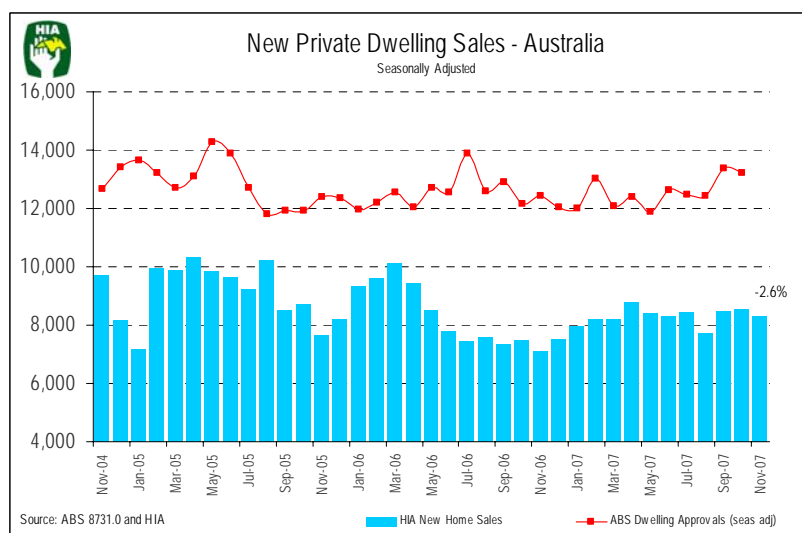
"The Federal Government election commitments are rightly targeting measures to increase supply. Measures announced, involve proponent based programs offering rewards for local and state governments that offer innovative solutions that cut red tape and deliver efficiency dividends aimed at reducing supply costs," said Chris Lamont.

HIA Chief Economist, Mr Harley Dale, said the key measure, private sector detached house sales, fell by 1.8 per cent in November after a 1.6 per cent decline the previous month. Sales of multi-units fell by a sharper 8.9 per cent, the third decline in the last four months.

"Throughout the year new home sales have remained flat signalling a short term widening of the gap between housing supply and demand," Mr Dale said.

"New home sales recovered from the lows of 2006 but then failed to go on with it amidst high structural costs to the provision of new housing and rising interest rates," 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 first leading indicator on new housing activity released for each month.



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