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WA & QLD Lead New Home Sales Higher

New home sales rose strongly in the first month of 2008 thanks to a continuation of the resources boom in Western Australia and Queensland.

HIA's New Home Sales figures released today for January 2008 show a rise of 11.3 per cent in the sale of new homes and units among Australia's largest builders and developers. Detached house sales increased by 13.3 per cent while multi-unit sales fell back by 2.9 per cent.

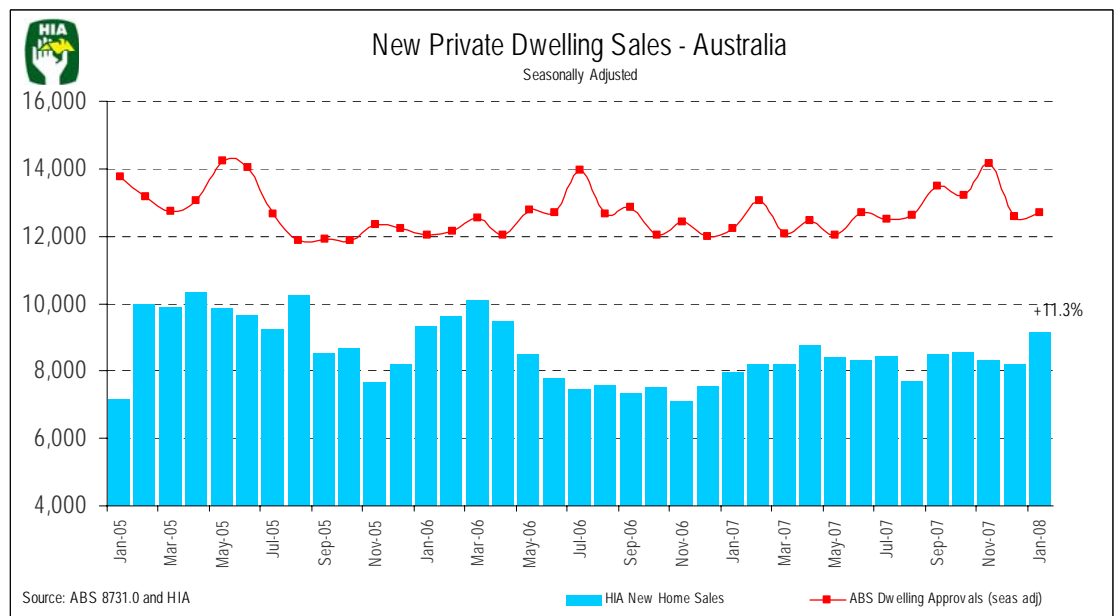
HIA Chief Economist, Harley Dale, said the result was largely driven by a healthy start to the year for both Queensland and Western Australia, while results for New South Wales and Victoria were disappointing.

"A number of large volume builders in Queensland and Western Australia enjoyed a healthy first month for sales in 2008, aided in WA's case by a large amount of promotional activity," Mr Dale said.

"However, the sustainability of stronger sales activity in these states is questionable. Much of the sales activity will reflect approvals that went through around or even before the rate rise of last November. We have subsequently seen banks lift rates themselves in January plus two official lifts to interest rates in February and March," said Mr Dale.

New home sales fell in both New South Wales and Victoria in January.

HIA's New Home Sales Survey is compiled from a sample of the largest 100 residential builders in Australia.



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