

## Strong Half Year for New Home Sales

The number of new homes sold moved sideways in June, but were still up by 13 per cent for the first half of the year, according to the Housing Industry Association (HIA), Australia's largest building industry organisation.

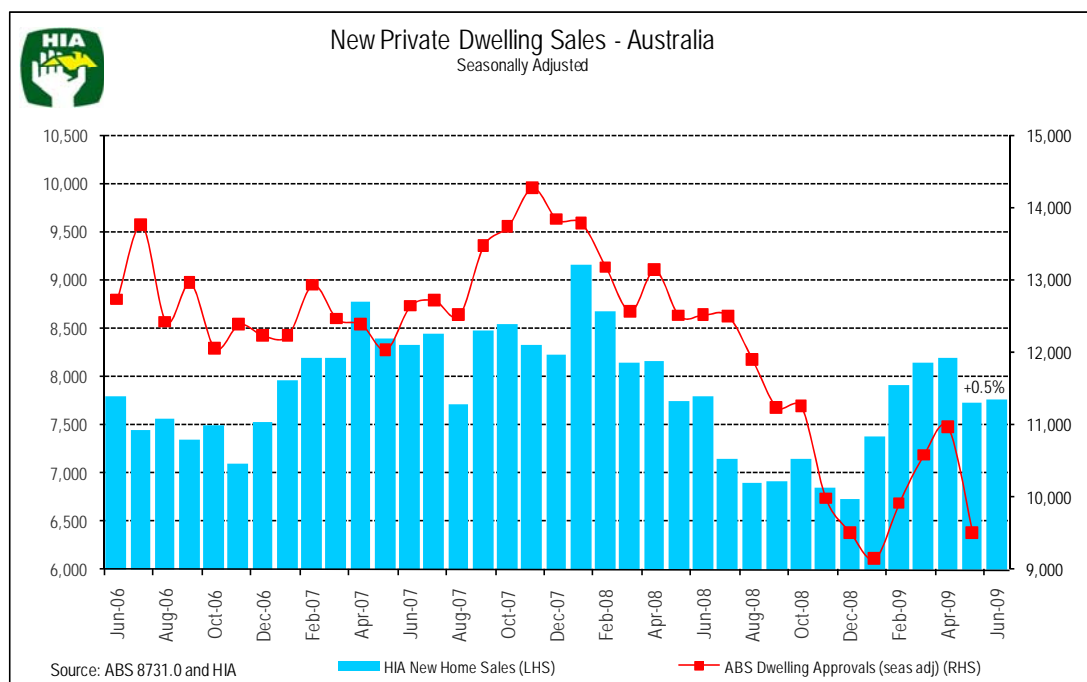
Commenting on the HIA's latest survey of Australia's largest builders, HIA Chief Economist, Dr Harley Dale said that while the modest June monthly result was weighed down by softer sales results in New South Wales and Queensland, the first half of 2009 clearly marked a healthy turnaround from the weak back half of 2008.

"The lift in new home sales over the first half of the year was driven by low mortgage rates and the first home buyer stimulus," said Harley Dale. "Sales of detached homes rose by 18 per cent over the first half of 2009, signalling a pick-up in single dwelling starts in the back half of 2009 said Dr Dale.

"A more positive picture for the detached dwelling sector was dimmed by weakness in the apartment sector where sales of units dropped by 20 per cent over the first half of 2009. The multi-unit sector continues to be plagued by investor uncertainty and restrictions on the availability of credit for development.

"To date, the pick-up in new home sales has been dominated by the first home buyer, a reminder that a sustained recovery in new home building needs to be more evenly spread across trade-up buyers and investors," Harley Dale said.

For the month of June, detached New Home Sales increased by 1.2 per cent in Victoria, 24.2 per cent in South Australia, and 8 per cent in Western Australia. Sales fell by 4.2 per cent in New South Wales and by 9.9 per cent in Queensland. Over the six month period to June detached home sales were up in all five mainland states with the strongest gains evident for Victoria (+35.2 per cent) and New South Wales (+25.7 per cent), followed by South Australia (+7.7 per cent), Western Australia (+4.2 per cent), and Queensland (+3.5 per cent).



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