

## New Home Sales Roar Back in August

The number of new homes sold came roaring back in August after a flat mid 2009, 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 a fresh wave of first time buyer interest helped spur significant growth in new home sales in August.

"A late surge in sales to first home buyers ahead of the step-down in the new home boost, propelled new home sales by more than 11 per cent in August, the best monthly result for over three and a half years," said Harley Dale.

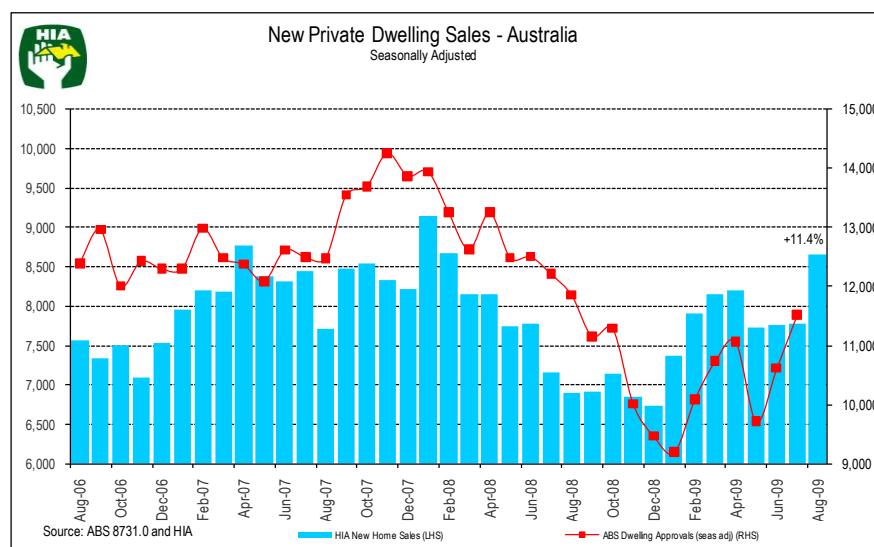
"The boost to new home construction from the tripling of the First Home Owner Grant for new dwellings will be apparent throughout the second half of 2009 and well into 2010," Harley Dale said.

In the month of August 2009 the number of detached house sales increased by 11.8 per cent while the number of apartments sold rose by 7.5 per cent.

"The stimulus to first home buyers is clearly still exerting a positive impact on new home demand. At the same time there is moderate evidence of a lift in trade-up buyer activity in the new home market, but it is difficult to say the same for investors," Harley Dale said.

"It remains the case that we need to see further evidence of a broad-based recovery in private new home demand to compliment the activity that will be generated in 2010 by Federal programs such as the Social Housing Initiative and the National Rental Affordability Scheme," Harley Dale added.

Detached New Home Sales in August increased by 21.8 per cent in Victoria, 20.9 per cent in Queensland, and 15.1 per cent in Western Australia. Sales fell by 11.3 per cent in New South Wales and by 2.5 per cent in South Australia.



### For further information please contact:

Harley Dale, Chief Economist 0414 994 186

Website: <http://economics.hia.asn.au>

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