

31 May 2010

Victoria Lifts National Home Sales in April

Surging new home sales in Victoria pushed up the national sales figures by more than 6 per cent in April according to the Housing Industry Association, the voice of Australia's residential building industry.

Releasing its latest New Home Sales report of Australia's major residential builders, the HIA said that new home building in Victoria had defied higher interest rates thanks to the Victorian Government's first home buyer top-up grant for new dwellings.

HIA Chief Economist, Dr Harley Dale, said that Victoria has the stand-out new home building market due to more favourable affordability conditions for new dwellings.

"The strong response by first home buyers to the new home grant underlines how effective the Victorian stimulus has been in lifting residential building activity. However, there are some warning signs, with buoyant demand eating into the availability of serviced land," said Harley Dale.

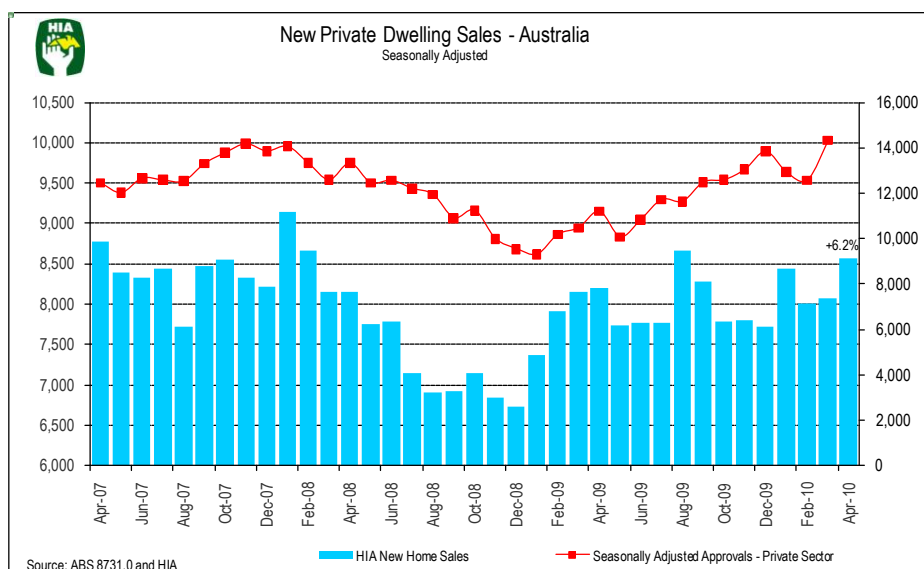
"Without Victoria, detached house sales at the national level would have been lower in April. Interest rates are blunting new home sales activity.

"There is increasing evidence that higher interest rates have started to take a significant bite out of housing demand over the last two months.

"Having pushed up interest rates aggressively, the Reserve Bank should allow the dust to settle, particularly in light of recent adverse developments in Europe and on stock markets," said Harley Dale.

Private sector detached house sales increased by 6 per cent in April. Multi-unit sales increased by 8 per cent following two soft months in February and March. Over the three months to April 2010, new detached house sales were up in Victoria (+19 per cent) and South Australia (+1 per cent), but were down in New South Wales (-6 per cent), Queensland (-4 per cent), and Western Australia (-2 per cent).

In the month of April 2010 detached new home sales increased by 27.6 per cent in Victoria and by 4.3 per cent in South Australia. Detached house sales fell by 9.6 per cent in New South Wales, 4.5 per cent in Queensland, and 8.2 per cent in Western Australia.



For further information please contact:

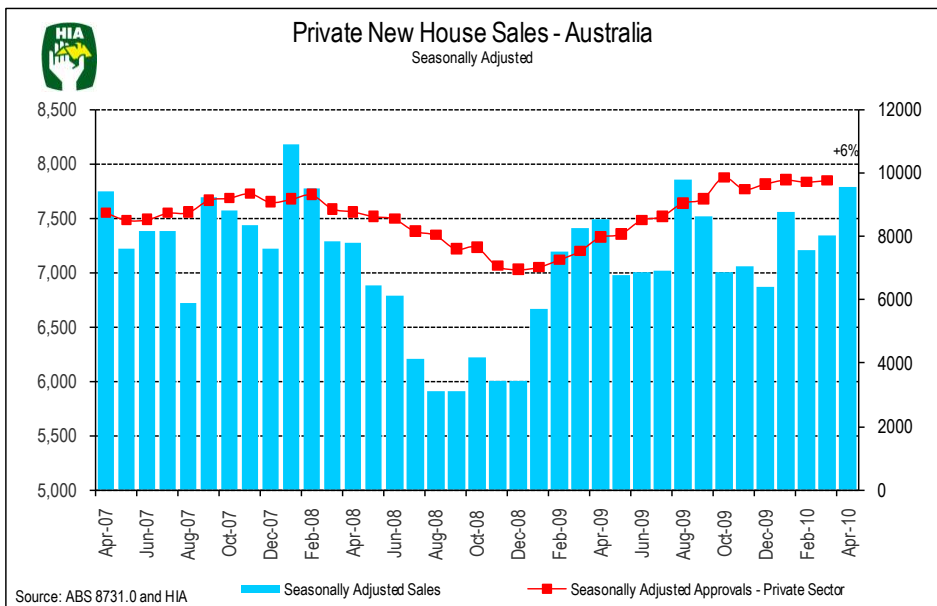
Harley Dale, Chief Economist on 0414 994 186

Website: <http://economics.hia.com.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



MEDIA RELEASE



Percentage change - Private Houses

Source: HIA New Home Sales Report

