



MEDIA RELEASE

HIA New Home Sales Slide

New home sales weakened further in June, reinforcing the case for a period of sustained interest rate stability, claims the Housing Industry Association (HIA), the voice of Australia's residential building industry.

The latest HIA - Jeld-Wen New Home Sales Report, a survey of Australia's major residential builders, showed that the number of new homes sold fell by 5.1 per cent in June.

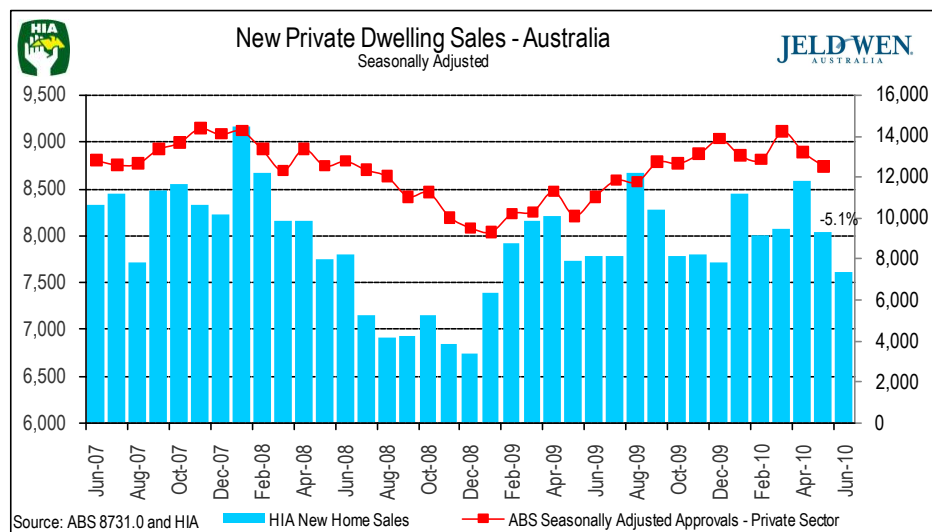
HIA Chief Economist, Dr Harley Dale, said that with monetary and fiscal policy stimulus being phased down, new home affordability was bearing the brunt of high-cost regulation.

"Lack of readily available land and hefty infrastructure charges have combined with a chronic lack of development finance to put the brakes on sales and development activity," said Harley Dale.

"Concerted action is required to reduce the impact of regulation, development charging, and excessive taxation on the cost of new housing supply. Inaction means that Australia's dwelling shortage will continue to increase, pushing up existing house prices and disadvantaging households seeking to purchase or rent a dwelling."

Detached house sales fell by 6.6 per cent in June, while sales in the volatile multi-unit sector increased by 10.3 per cent.

In the month of June 2010 detached new home sales fell by 10 per cent in Victoria, 5.2 per cent in Western Australia, 5.1 per cent in Queensland, 4.2 per cent in South Australia, and 2.2 per cent in New South Wales.



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***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



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