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QLD and WA BOOST NEW HOME SALES

The number of new homes sold in Australia rose modestly in August, thanks largely to gains in the Queensland and Western Australian markets.

HIA's New Home Sales figures released today show that the sale of new homes and units among Australia's largest builders and developers increased by 2.1 per cent in August to 7,667 dwellings.

Private detached house sales increased by 2.6 per cent while sales of multi-units eased back by 0.9 per cent.

Australia's peak building industry body, HIA, said that the August result marked the first increase in home sales in four months.

HIA's Chief Economist, Mr Harley Dale, said that the improvement in sales was welcome, but not universal across Australia.

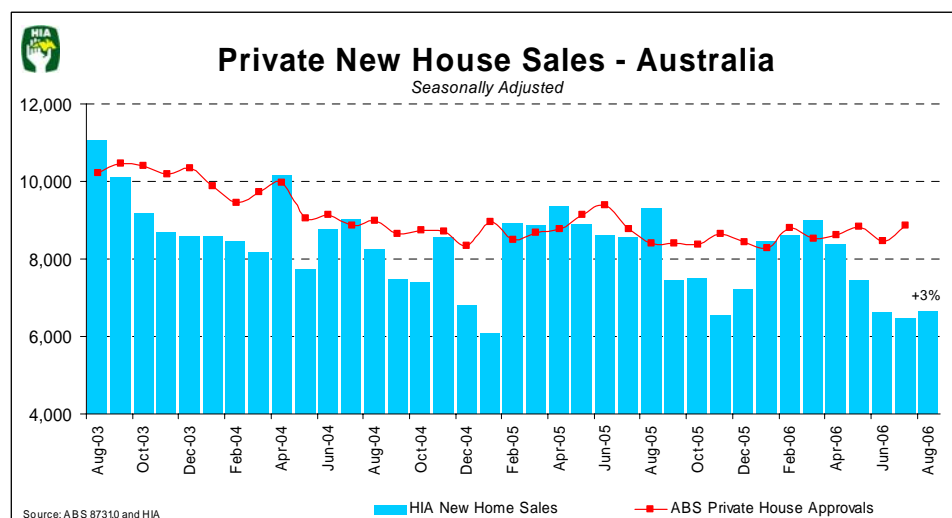
"New home sales, like all housing indicators, are continuing to highlight the vast regional differences evident across Australia," Mr Dale said.

"New detached house sales were up in Queensland and Western Australia in August, but continued to weaken in the resource-poor states of New South Wales and Victoria," Mr Dale said.

"New home sales in the big south eastern states have been weakened by the higher interest rate climate," Mr Dale said.

"A further softening in the NSW and Victorian new housing markets through the remainder of 2006 seems likely with anecdotal evidence suggesting the second rate rise in August hit these two markets quite hard," Mr Dale added.

HIA's New Home Sales Survey is compiled from a sample of the largest 100 residential builders in Australia and is the most leading indicator on new housing activity. For the month of August, detached house sales increased by 13.3 per cent in Western Australia and were up by 10.1 per cent in Queensland and 4.4 per cent in South Australia. Sales fell by 10.6 per cent in Victoria and by 3.4 per cent in New South Wales.



For further information please contact:

Harley Dale, 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