

NEW HOMES SALES INCH HIGHER

The sales of new homes across Australia has ended the year on a positive note, inching higher in the month of December.

HIA's New Home Sales figures released today show that the sale of new homes and units increased by 1.2 per cent in December to 8,053 dwellings. Sales of new houses increased by 2.6 per cent, while the sale of multi-unit dwellings dipped by 7.8 per cent.

Australia's peak building industry body, HIA, said that today's figures are another signal that the slide in new home demand is at or near the bottom of the cycle.

HIA's Executive Director, Housing and Economics, Mr Simon Tennent, said that solid rises in 4 of the 5 states is good news but overall sales volumes are still well below those of previous years.

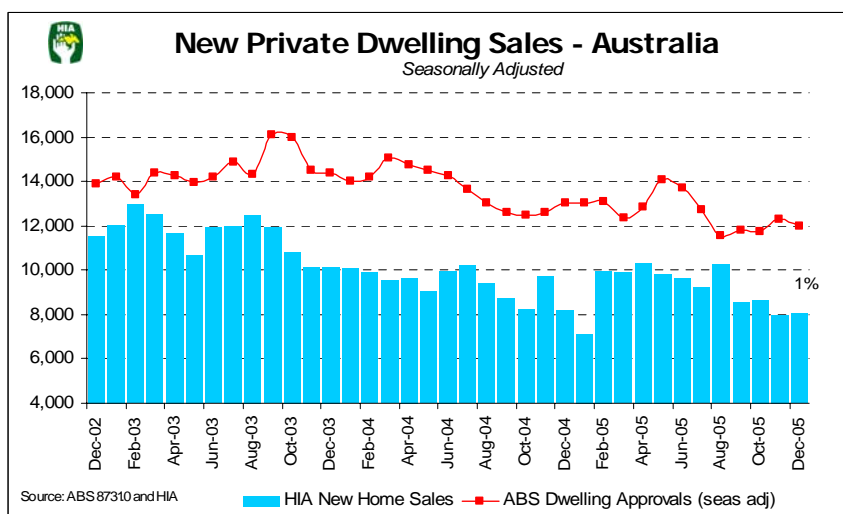
"The rise in sales across New South Wales is encouraging, reflecting a number of new releases north of Sydney," Mr Tennent said.

"Both Victoria and Queensland also reported good months while Western Australia saw a fairly sharp dip," he added.

"Interestingly the dip in WA is a result of volume builders not bothering to open display homes over the month, in order to catch up with the backlog of work created by the incredible demand recorded earlier in the year."

"Looking forward, there are some encouraging signals for Australia's home builders, particularly on the housing affordability front with trade prices flattening, household incomes inching higher, and land availability improving. That said however, there is little doubt that new home buyers are lacking the urgency of previous years," Mr Tennent said.

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 November, detached house sales increased by 11.1 per cent in New South Wales, 6.3 per cent in Victoria, 9.7 per cent in Queensland and 0.7 per cent in South Australia. Sales fell 14.6 per cent in Western Australia.



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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.