

## A WELCOME BOUNCE IN NEW HOME SALES

Solid increases in New South Wales and Western Australia has seen the number of new home sales across the country increase.

HIA's New Home Sales figures released today show that the sale of new homes and units rose by 5.6 per cent in August. The sale of new houses rose by 8.5 per cent while the typically volatile sale of multi-units fell – down 16 per cent over the month.

HIA's peak building industry body said that after a couple of months of decline, this rise is welcome news however once again the messages are mixed from state to state.

HIA's Chief Economist, Mr Simon Tennent, said that sales in the West charged ahead as the availability of affordable land, and lower average new home prices continue to drive demand.

"This was also the case in South Australia and Victoria, with sales nudging up over the month."

"For New South Wales however all of the strength in today's figures appears to be concentrated within regional centres, as the mood within Sydney among builders and developers remains sombre as many question the viability of new development."

"Aside from councils continually blocking apartment developments, for greenfield developers rising land acquisition costs, holding costs, and mounting development levies and charges has led to many offering land to the market at below break even price."

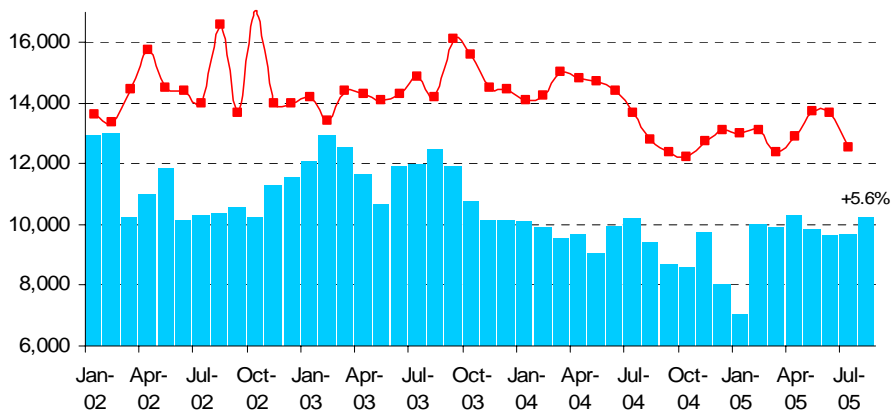
"The Federal Government should demonstrate some leadership through the Council of Australian Governments to support new approaches to residential development, especially in Sydney," Mr Tennent said.

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 August sales rose in WA, up 29 per cent, NSW, up 16.7 per cent, SA, up 5.6 per cent and Victoria, up 0.9 per cent. Sales fell in Queensland, down 16 per cent.



### New Private Dwelling Sales - Australia

*Seasonally Adjusted*



Source: ABS 87310 and HIA

■ HIA New Home Sales — ABS Dwelling Approvals (seas adj)

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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.