

## HOME SALES A REASONABLE LEVEL IN JUNE

New home sales eased moderately in June. Sales nevertheless remained at a reasonable level compared to the weakness seen in the second half of last year and the very start of 2005.

HIA New Home Sales figures released today showed that sales fell by 2 per cent in June following a 5 per cent drop in May. Private new home sales fell by 3.1 per cent. Sales of multi-units posted an encouraging 7.2 per cent rise after four months of decline.

HIA's Senior Economist, Mr Harley Dale, said that the June quarter had been a good one, boosted by a strongly starting month in April.

"New home sales have recovered to reasonable levels in 2005, following on from some very weak outcomes," Mr Dale said.

"Had we seen a continuation of the weak profile for sales emerging through to January this year then the situation would have been quite alarming by now. As it stands, though, new private house sales fell by a moderate 8.9 per cent in 2004/05 overall. This is consistent with a manageable pull-back in new residential construction in 2005/06 rather than an alarming drop," he added.

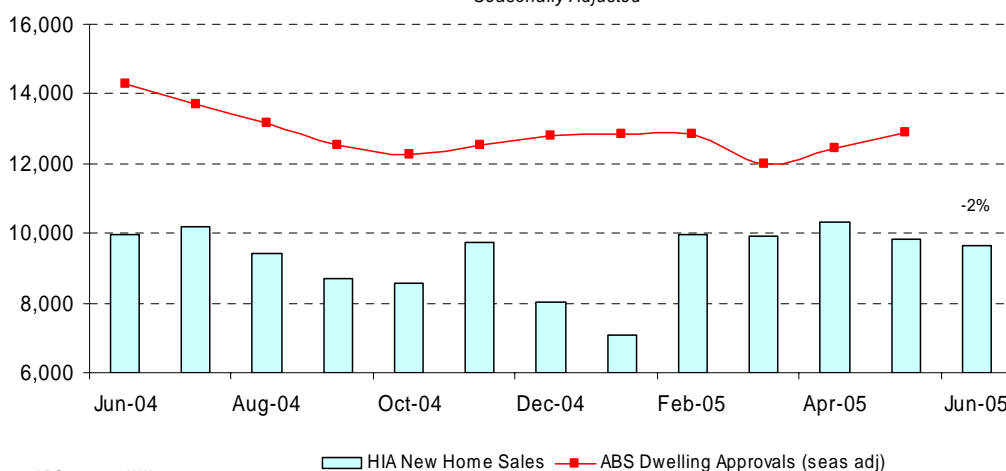
"The exception to this story is New South Wales. Consistent with all other housing indicators, new home sales in the state continue to point to an extremely weak situation. In 2004/05 private house sales plummeted by 38 per cent to hit their lowest level in the fifteen year history of the series," Mr Dale 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.



### New Private Dwelling Sales - Australia

Seasonally Adjusted



Source: ABS 8731.0 and HIA

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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.