

HOME SALES BOUNCE BACK IN FEBRUARY

Following a weak start to 2005, February was a better month for new home sales.

HIA New Home Sales figures released today showed a significant lift for the month of February, following on from two very weak months. Sales of houses and units jumped up by 35.9 per cent to 9,789 over the month, the highest level since July last year.

Australia's peak building industry body, HIA, said the strong increase was driven by new house sales which were up by 43.6 per cent to 8,951 sales. Sales of multi-units dropped by 13.4 per cent, the second significant decline in a row.

HIA's Senior Economist, Mr Harley Dale, said that a very strong result for Western Australia lifted the overall result.

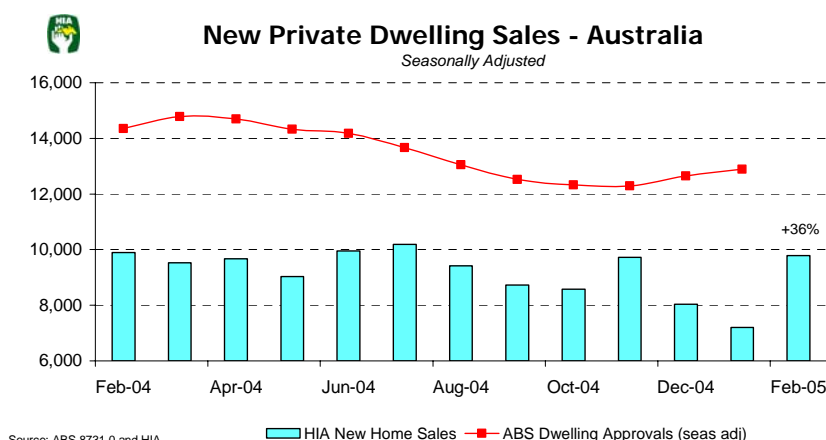
"Without a substantial result for Western Australia the overall increase wouldn't look quite so impressive," Mr Dale said.

"Nevertheless, the very end of last year and the very beginning of this year were weak times for most states. So, it is good to see some recovery in sales in February."

"With an interest rate increase in March and concern of another one on the way the recovery may well prove to be short-lived. The overall profile for leading indicators such as sales, approvals, and lending all point to further falls in new home construction, a process that has already been going on for over six months now," he added.

Across the states in February, private detached house sales soared by 65.6 per cent in Western Australia. Following a weak start to the year, sales increased by 23.6 per cent in Victoria, by 20.9 per cent in South Australia, and by 8.1 per cent in New South Wales. Sales fell by 11 per cent in Queensland.

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.



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