

New Home Sales Slide in September

The number of new home sales fell by 4.5 per cent in September 2009 following a strong surge in August, according to the latest Housing Industry Association (HIA) survey of Australia's largest builders.

"We saw a late burst of sales from first home buyers in August ahead of the step-down in the first home buyers grant, said Dr Harley Dale, HIA's Chief Economist. But the stimulus to new home sales from the First Home Owner Boost is now on the wane."

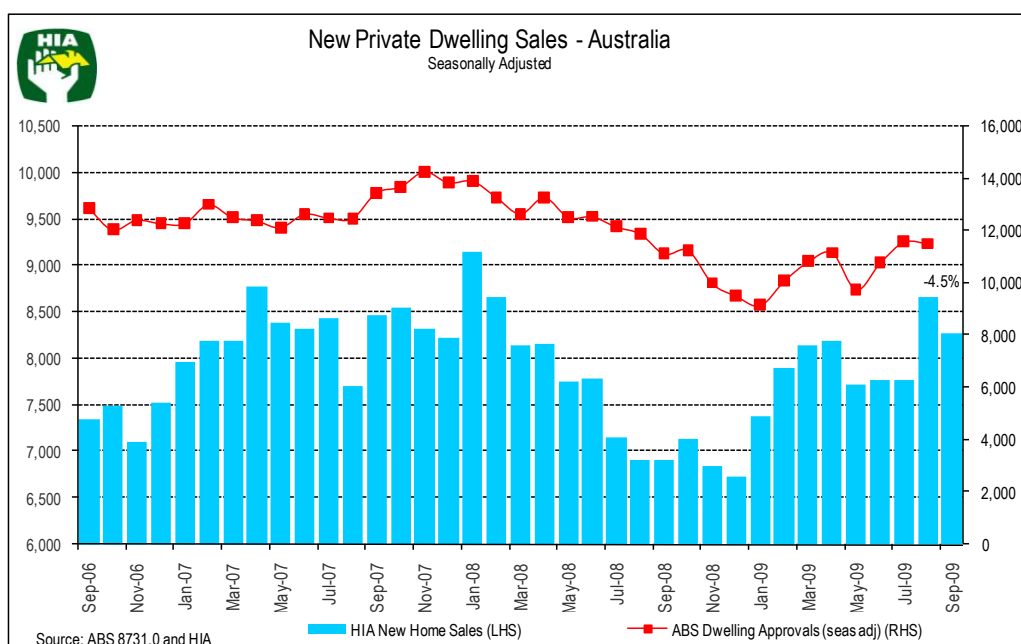
"With the first home segment weakening, further gains in new home sales will hinge on a return of upgrade buyers and investors. The current level of new home sales points to a shallow recovery in residential building which will lag the underlying requirement for new dwellings."

"Indeed there is a very real risk that costly delays in planning approvals and land shortages will combine to blunt the housing recovery, reversing the recent gains in housing affordability," said Harley Dale.

The Prime Minister's offer to partner with the States and Territories in unlocking land for development through Commonwealth part-funding of urban infrastructure offers the best opportunity to drive down the cost of new residential development.

The number of sales of detached houses fell by 4.3 per cent in September but for the September quarter sales were up by 4 per cent. The number of apartment sales was down by 6.5 per cent in September but up by 4 per cent for the quarter due mainly to a burst of sales in August.

There were wide regional differences with Detached New Home Sales in September increasing by 8.9 per cent in New South Wales and 1.1 per cent in Queensland. Sales fell by 12.7 per cent in Victoria and were down by 1.1 per cent in South Australia and by 11.1 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 or k.lewis@hia.com.au