



the voice of the industry

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JELD WEN
AUSTRALIA

30 March 2012

A long road back for New Home Sales

In February 2012 the volume of new home sales bounced modestly off a concerning January low, said the Housing Industry Association, the voice of Australia's residential building industry.

The HIA - JELD-WEN New Home Sales report, based on a survey of Australia's 100 largest builders, showed a modest increase of 3.0 per cent in total seasonally adjusted new home sales in February 2012. Detached house sales rose by 2.2 per cent while multi-unit sales jumped by 10.5 per cent.

HIA Chief Economist, Dr Harley Dale said that any bounce in new home sales in February was encouraging after an awful start to 2012. "Furthermore, it was the continued decline in Victoria from previous record highs which pulled new home sales down in February, while there was improvement everywhere else."

"Looking beyond just one month, however, there is much work to be done to see new home sales volumes back at healthy levels across the country," said Harley Dale.

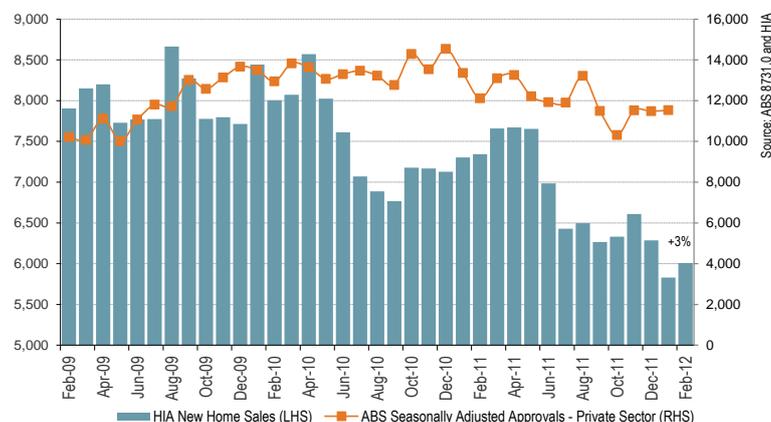
"In a contemporary economic environment where interest rate settings are too high, finance conditions persistently tight, consumer and business confidence too low, and plans to tighten fiscal policy inappropriate, it is hard to envisage a sustained recovery in new home sales in coming months."

"However, the beginning of a recovery seems evident in Western Australia (but nowhere else) and the prospect of policy reform in New South Wales and Queensland increases the likelihood of a lift in new home sales volumes in these states through 2012/13. Obviously further interest rate cuts wouldn't go astray in helping perpetuate this recovery," Harley Dale added.

In February 2012 the number of seasonally adjusted new detached house sales increased by 12.8 per cent in Western Australia, 5.3 per cent in New South Wales, 3.5 per cent in Queensland, and 0.3 per cent in South Australia. Detached house sales dropped by 7.4 per cent in Victoria.

Over the three months to February 2012 the total number of seasonally adjusted new home sales fell by 5.6 per cent to be 16.8 per cent lower than the three month period to February last year. Detached house sales fell by 6.8 per cent over the three months to February this year to be down by 17.0 per cent in annual terms. Detached house sales fell over the February 2012 'quarter' in New South Wales (-3.3 per cent), Victoria (-18.3 per cent), and Queensland (-11.3 per cent). The sale of multi-units in Australia increased by 5.4 per cent over the February 2012 quarter, but the level was still 15.0 per cent lower when compared to the three months to February 2011.

PRIVATE NEW DWELLING SALES - AUSTRALIA (SEASONALLY ADJUSTED)



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