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the voice of the industry

MEDIA RELEASE

30 July 2012

Multi-units lift New Home Sales in June

New home sales increased for a second consecutive month in June 2012 due to a spurt in multi-units, said the Housing Industry Association, the voice of Australia's residential building industry.

The HIA New Home Sales report, a survey of Australia's largest volume builders, showed a rise of 2.8 per cent in June 2012 due to a 15.7 per cent jump in the sales of multi-units. Detached house sales continued their disappointing run in 2012, growing by only 0.7 per cent in June following a decline of 2.0 per cent in May.

"It is encouraging to see a second consecutive jump in the sale of multi-units," said HIA Chief Economist, Dr Harley Dale. "Sales were up by 30.8 per cent over the June 2012 quarter."

"It is, however, a stark reminder of how much catching up is left in the multi-unit sector when a lift of this magnitude still leaves sales volumes 36 per cent below their ten year average," said Harley Dale.

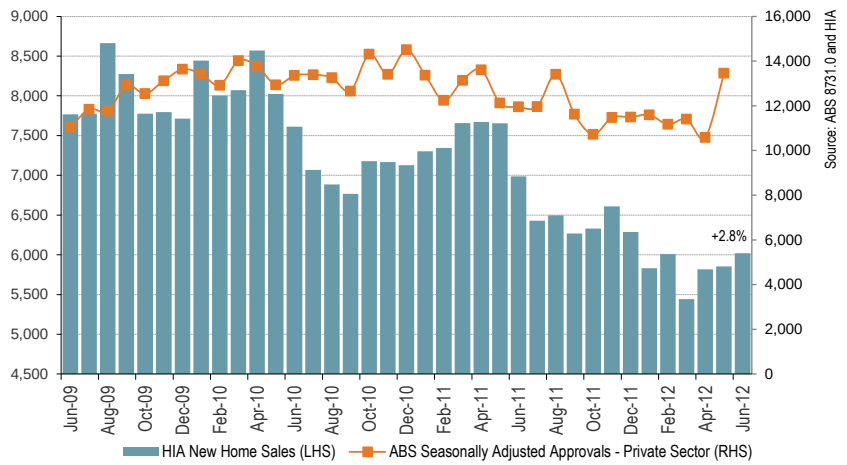
Over the June 2012 quarter detached house sales fell by 1.1 per cent to be a sharp 24.5 per cent lower than the volume for the June 2011 quarter.

"That's a concerning update which sees detached house sales running at an annualised level 35 per cent lower than the ten year average and 44 below the long term history of the series," Harley Dale said.

"Lower interest rates will assist new housing in 2012/13, but the large gap between the cash rate and variable mortgage rates will blunt their positive impact," said Harley Dale. "Investment and reform from governments is the key ingredient to lifting the new housing sector substantially above the recessionary levels of 2012. State governments have a crucial role to play, as do local governments, but it is the Federal government that needs to act first and lead by example."

In June 2012 the number of seasonally adjusted new detached house sales increased by 2.0 per cent in New South Wales, 4.4 per cent in South Australia, and 23.5 per cent in Western Australia. Detached house sales fell by 9.6 per cent in Victoria and by 11.0 per cent in Queensland. Over the June 2012 quarter detached house sales fell in New South Wales (-6.2 per cent), Queensland (-21.1 per cent), and South Australia (-8.3 per cent). Detached house sales increased by 9.8 per cent in Victoria due to a final burst from first time buyers in April and May ahead of the ending of the state boost. In Western Australia detached house sales increased by 9.3 per cent over the June quarter, but problems with the building act means this improvement will not translate into construction activity any time soon.

PRIVATE NEW DWELLING SALES - AUSTRALIA (SEASONALLY ADJUSTED)



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