

## New Home Sales Rebound in January

The Housing Industry Association's (HIA's) New Home Sales report, a survey of Australia's large volume residential builders, rebounded by 9.5 per cent in January 2010.

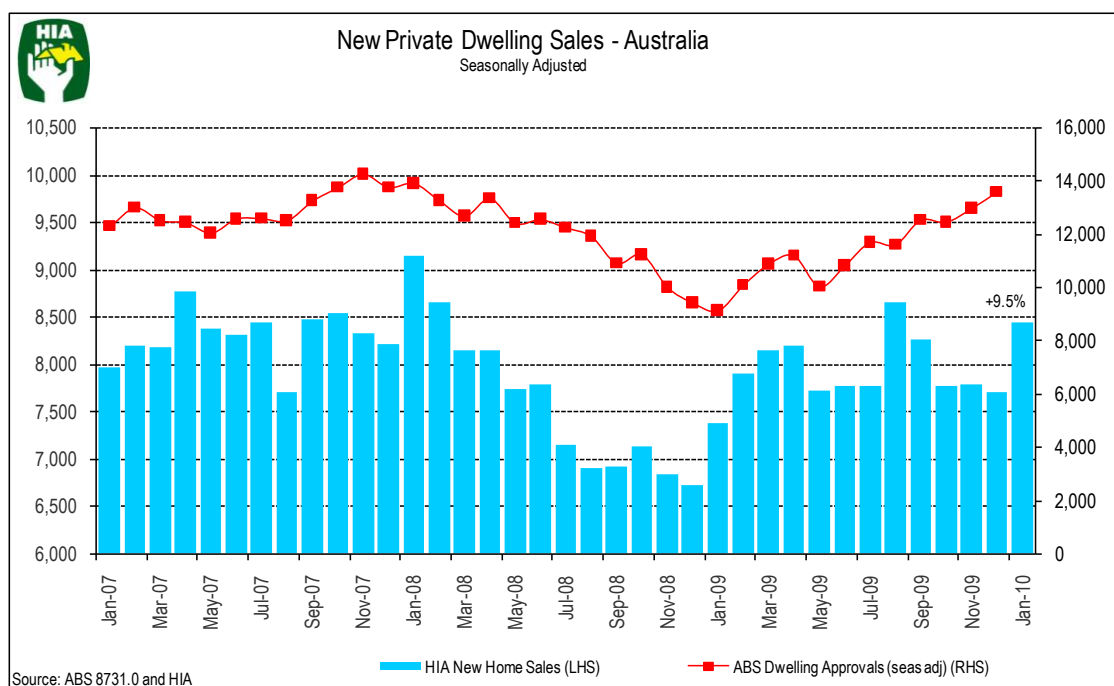
The HIA, Australia's largest building industry organisation said the January result was an encouraging early sign that upgrade owner occupiers and investors may be coming into the new home building market in sufficient numbers to offset the withdrawal of stimulus to first time buyers.

HIA Chief Economist, Dr Harley Dale, said that private sector detached house sales increased by 10.1 per cent in January 2010, the first decent result since August last year. Multi-unit sales recorded a second consecutive increase in January, rising by 4.1 per cent following a 14.5 per cent jump in December 2009.

"If we were to get a sustained improvement in new home sales over the first half of 2010 then that would suggest a second round new housing recovery is achievable, driven by private demand from upgrade buyers and investors."

"The January new home sales result is a promising start in this regard. However, it is vital to see evidence of a second round recovery emerge in coming months in what remains a very challenging period for residential construction. The successful policy of targeting new home construction via the tripling of the grant to first time buyers has now gone, interest rates are on the rise, and the considerable supply side obstacles to boosting the new housing stock, such as land supply and skilled labour constraints, are still clearly evident," Harley Dale said.

Detached new home sales increased by 3.1 per cent in New South Wales and were up by 17.1 per cent in Victoria, 6.3 per cent in Queensland, 6.6 per cent in South Australia, and 12.2 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](mailto:k.lewis@hia.com.au)



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