



**MEDIA RELEASE**

## Brighter Start for New Home Sales in 2011

New home sales posted a modest rise in the first month of 2011 says the Housing Industry Association, the voice of Australia's residential building industry.

The latest HIA - JELD-WEN New Home Sales Report, a survey of Australia's major residential builders, showed that the number of new homes sold increased by 2.5 per cent in January 2011. Detached house sales increased by 2.2 per cent while the sale of multi-units rose by 5 per cent.

HIA Chief Economist, Dr Harley Dale, said the modest increase in new home sales in January was encouraging. However, the level of sales tends to be thin during the Christmas-New year break.

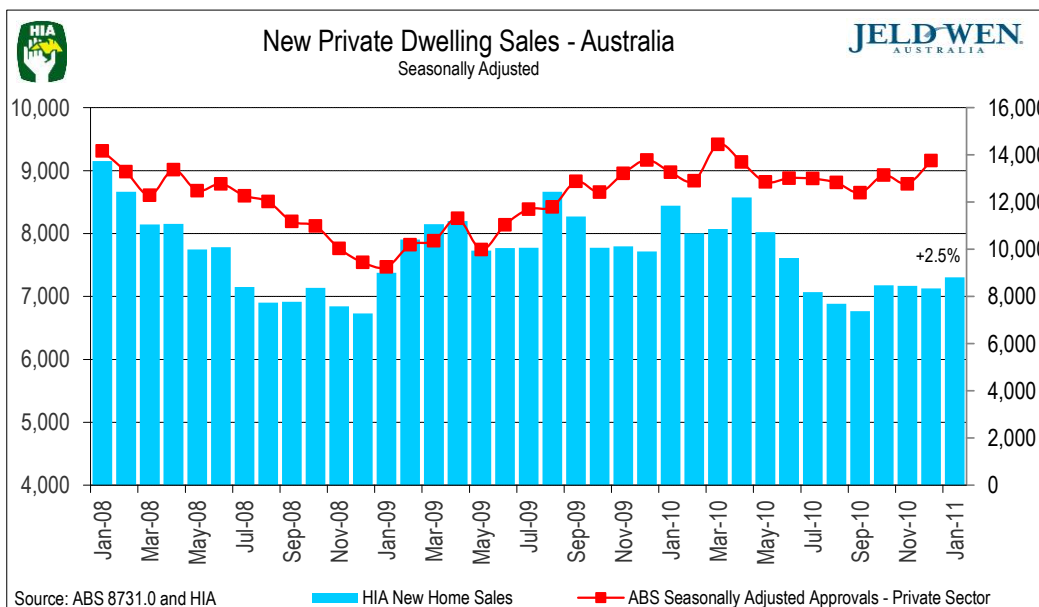
"The new home building sector was buffeted in 2010 by rising interest rates and a lack of policy reform to wind back the impact of the dead hand of regulation on new housing costs," Harley Dale said.

"New dwelling starts are expected to be lower in 2011. However, the prospect of official interest rates holding for some time, signalled yesterday by the Reserve Bank, could help to mitigate the decline in new dwelling starts and slow further widening in Australia's new housing shortage," Harley Dale said.

"Following a protracted period of depressed building activity in New South Wales, there are early indications that the industry could be lifting itself off the canvass," added Harley Dale.

In January 2011 the HIA-JELD-WEN New Home Sales Report found that detached new house sales increased by 10.3 per cent in New South Wales, 9.6 per cent in Victoria, and 6.3 per cent in Western Australia. Sales fell by 2.6 per cent in Queensland, a result likely to have been influenced by the floods. Sales in South Australia continued their under-performance, falling by 6.3 per cent in January.

Total detached house sales increased by 3.7 per cent over the three months to January 2011, but remained down by 9.8 per cent when compared to the three month period to January 2010.



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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)