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## NEW HOME SALES – STALLING YET AGAIN

The very modest recovery seen in new home sales last year has faded thanks largely to persistently high government taxes and charges, and planning constraints on new development. Speculation around higher interest rates may have also discouraged would be purchasers and investors.

HIA's New Home Sales figures released today show a flat result in March for the sale of new homes and units among Australia's largest builders and developers. Sales held at a level of 8,191 dwellings.

Private detached house sales increased by a bare 0.2 per cent, while the sale of multi-units fell by 2 per cent. Sales over the three months to March this year were 16 per cent lower than over the three months to March 2006.

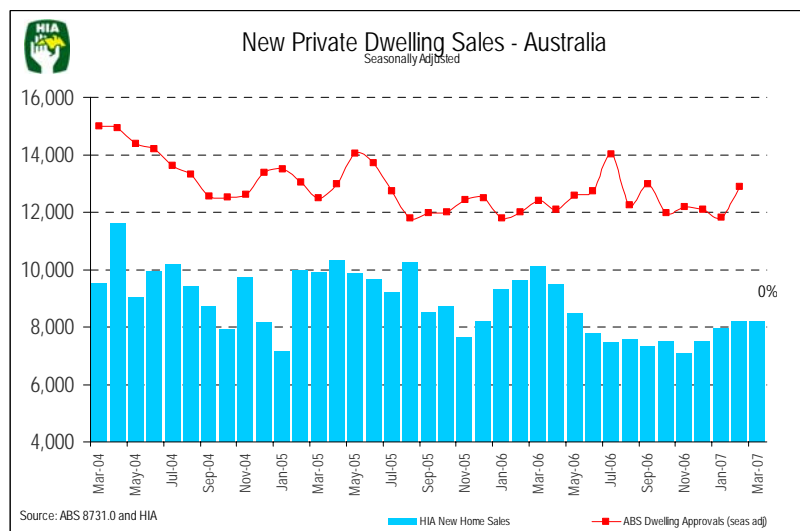
Australia's peak building industry body, HIA, said that any upward momentum in new home sales had now clearly stalled.

HIA Chief Economist, Mr Harley Dale, said that higher levels of home buyer interest traditionally seen early in a year were already giving way in 2007 to the large gap that exists between the desire for home ownership and the ability to afford it.

"The lack of a concerted effort by all levels of government to alleviate record low housing affordability is standing in the way of a sustained recovery emerging," Mr Dale said.

"The recent threat of higher interest rates has only served to reinforce the urgency required in addressing the hefty structural barriers to home ownership," he added.

HIA's New Home Sales Survey is compiled from a sample of the largest 100 residential builders in Australia and is the most leading indicator on new housing activity.



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