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MEDIA RELEASE

## HIA New Home Sales Post a Modest Rise in March

The Housing Industry Association's (HIA's) New Home Sales report, a survey of Australia's large volume residential builders, showed a 0.9 per cent increase in March following a decline of 5.2 per cent in February.

The HIA, the voice of Australia's residential building industry, said the very modest lift in new home sales for March was a disappointing result following a significant decline the previous month.

HIA Chief Economist, Harley Dale, said that rising interest rates and uncertainty over future rate increases in 2010 were weighing heavily on the prospects for a sustained new home building recovery.

"Rising rates have run headlong into pre-existing supply side obstacles related to land supply, planning delays, and distorting levels of taxation and charges applying to new housing. There also continue to be considerable constraints on the availability of finance for residential development," said Harley Dale.

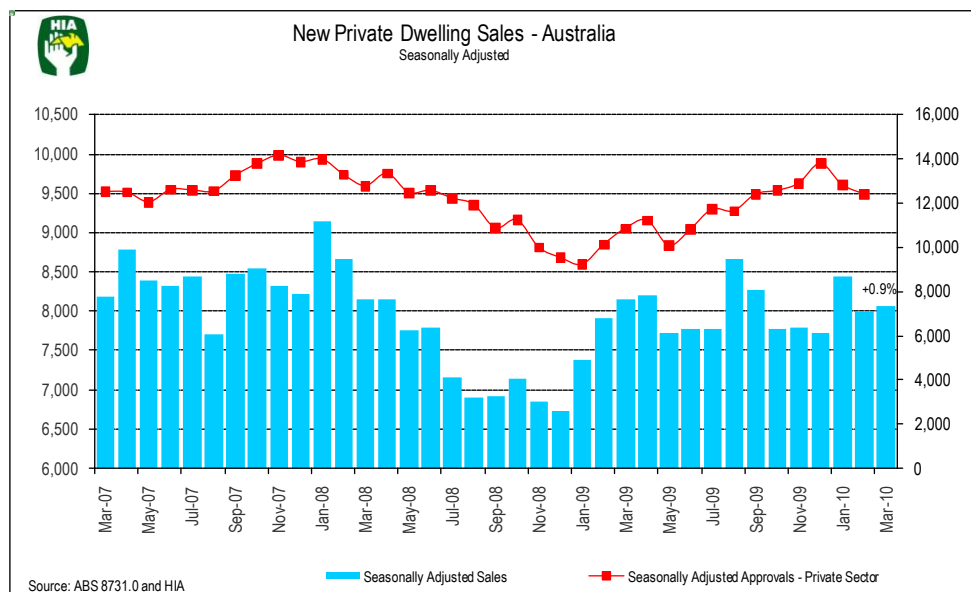
"This is a weighty confluence of factors for the new home building sector to overcome so that it can continue growing in a post-stimulus environment.

"Over 2010 to date we have seen a range of housing updates which highlight the risk of the long overdue recovery in new residential construction coming to a premature end.

"In light of this situation it is timely that the second National Housing Supply Council Report released earlier this week highlighted the need for considerable reform to ensure the adequate provision of land. The recent CoAG endorsement of a housing supply and affordability reform agenda is a very welcome development as the urgency for on-going reform is growing by the day," Harley Dale said.

Private sector detached house sales increased by 1.9 per cent in March 2010 while multi-unit sales fell by 8.7 per cent.

In March 2010 detached new home sales increased by 2.7 per cent in New South Wales and were up by 5.6 per cent in Victoria, 5 per cent in South Australia, and 0.6 per cent in Western Australia. Sales fell by 3.4 per cent in Queensland.



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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)