

NEW HOME SALES FLAT IN MARCH

Cooling demand among Australia's new homebuyers has resulted in a flat month for new home sales.

HIA New Home Sales figures released today showed that after the sharp jump in February, sales remained virtually flat in March, falling by only 0.8 per cent over the month. This was a result of a 0.5 per cent fall in house sales and a 3.7 per cent fall in the sale of townhouses, units, flats and apartments.

HIA's Chief Economist, Mr Simon Tennent, said that there are a number of mixed messages out in the market at present as lower priced states continue to see a steady level of demand.

"On a National basis, it's quite clear that fears of over-building and over-supply are unfounded with the majority of Australia's home builders having very few unsold homes on their books," Mr Tennent said.

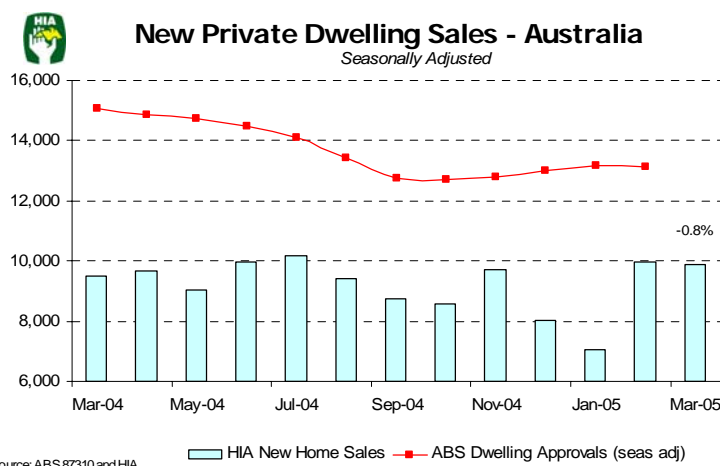
"Demand for new housing is still evident but the urgency has gone as many buyers keep one eye on interest rates, and another eye on stretched household budgets following the rise in fuel prices," he added."

"Further easing in sales is expected over the next 12 months but despite today's solid result for NSW, there are cracks appearing in the Sydney market ."

"The combination of historically high building costs, prohibitively expensive raw land, and rising fees taxes and charges has seen the price of modest entry level housing in new Sydney suburbs well in excess of \$400,000."

"Typical families on average incomes are voting with their feet as New South Wales continues to lose population to other states at near record pace, underlining the importance of getting the urban planning, infrastructure provision, and land release equation right."

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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***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

*** Please note that state based releases are also available at the above website.