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MEDIA RELEASE

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Lack-Lustre Update for New Home Sales, says HIA

New home sales failed to fire at the start of the second quarter, tracking sideways in April 2011 said 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 limped 0.2 per cent higher in April 2011. Detached house sales inched up by 0.4 per cent with increases in New South Wales and Victoria. Detached house sales fell in Queensland, South Australia, and Western Australia. The sale of multi-units posted a third consecutive decline, falling by 2 per cent.

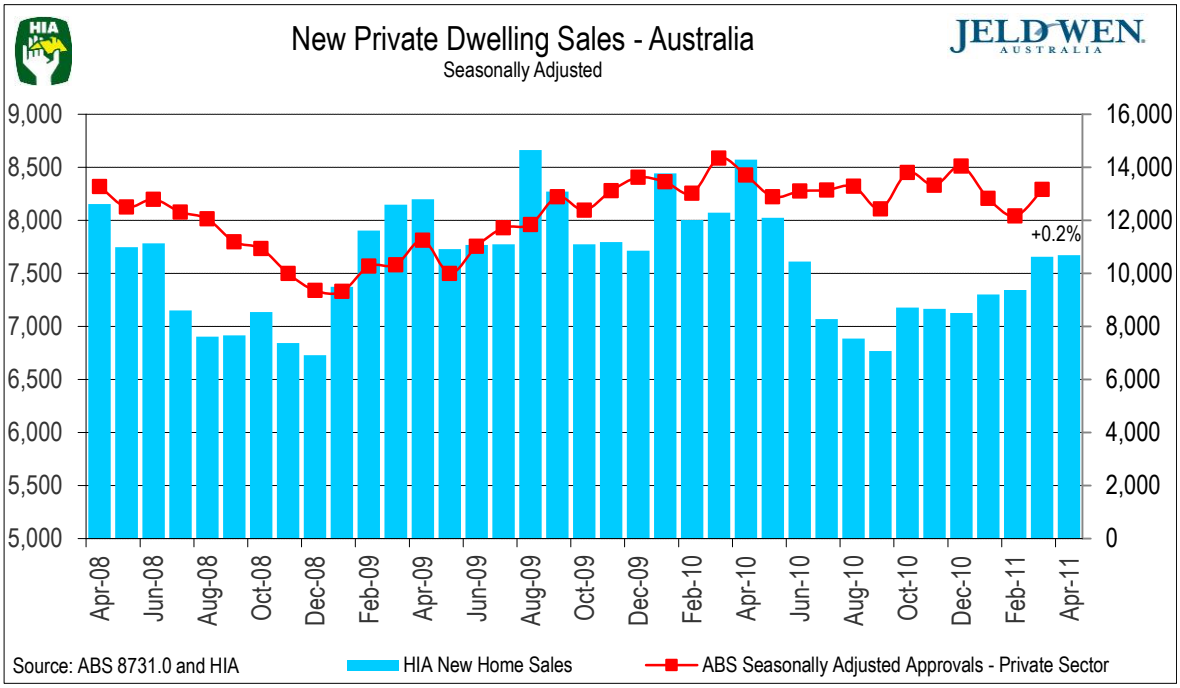
HIA Chief Economist, Dr Harley Dale, said the new home building industry was struggling in 2011, and small and medium sized enterprises were feeling the pain.

"The new home building industry is struggling under the weight of excessive taxation and regulation, a stalled housing supply reform process, and uncertainty over interest rates," Harley Dale said. "An industry kick-start is required together with a reinvigoration of the reform process."

"Over 2011 to date new detached house sales are running at a volume 22 per cent lower than the long term average, while new multi-unit sales are down by over half," Harley Dale said.

"That profile is an unfortunate indictment of the weak new home building conditions prevalent in 2011 amidst a growing housing shortage, but it's nothing compared to what we'll see if another rate hike bullet is fired," added Harley Dale.

In April 2011 the HIA – JELD-WEN New Home Sales Report found that detached new house sales increased by 7.8 per cent in New South Wales and 2.2 per cent in Victoria. Sales fell by 1.5 per cent in Queensland and were down by 0.5 per cent in South Australia and 10.3 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