

House grants lagging

FIRST home buyers have been hesitant to take up their free \$7000 grant.

Almost 3300 single people and couples have been approved in Victoria but applications for the federally funded scheme are running behind forecasts.

The first home owners' grant, administered by the State Government Revenue Office, said almost \$23 million in cheques had been written.

A spokeswoman for Finance Minister Lynne Kosky said the scheme was expecting to hand out almost \$20 million each month.

"So we're maybe just a little behind," spokeswoman Rebecca Nicholson said.

"But there could be a few reasons for that, like some people having delayed their purchases a little longer."

Ms Nicholson said there were about 400 applications in the system waiting to be processed and paid out.

Payouts are roughly matching Federal Government estimates but State Government estimates were a little higher.

The Federal Government expected to pay \$16.3 million monthly or

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\$192 million in the first year. In the 1999-2000 financial year, it budgeted for 27,000 applications to be approved.

Post-July 1 figures have shown signs of buyers returning to the real estate market, with auction clearance rates improving significantly.

But a leading architectural firm, Archicentre, said its national survey showed the GST had next to no impact on home buying patterns.

Managing director Robert Caulfield said perceptions of buyers entering in the market remained buoyant.

Mr Caulfield said the survey found Australians generally believed interest rates would continue to rise in the next six months, that the GST had no effect on property sales and that house prices would remain the same or go up.

Most prospective home buyers said rising interest rates would not stop them buying.

He said the survey of 700 Archicentre clients revealed an overall confidence in the economy.