



the voice of the industry

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MEDIA RELEASE

## New Home Building in Urgent Need of Stimulus, Says HIA

A fourth decline in five quarters in September 2011 has delivered a 11.5 per cent drop in ABS Dwelling Commencements for the year ending September 2011, said the Housing Industry Association (HIA), the voice of Australia's residential building industry.

HIA Senior Economist, Andrew Harvey said, "Private sector detached housing starts have now fallen for five consecutive quarters reflecting the combination of a dawdling rate of policy reform in terms of reducing the high cost of new housing and a deterioration in household confidence."

"In the September 2011 quarter dwelling commencements were running at an annualised level of just under 142,690, a level only 4,000 above the 138,690 dwellings we started in GFC-impacted 2009, said Andrew Harvey. That's before we consider the continuing weakness in leading housing indicators such as approvals which suggest that commencements look set to fall even further in the quarters ahead."

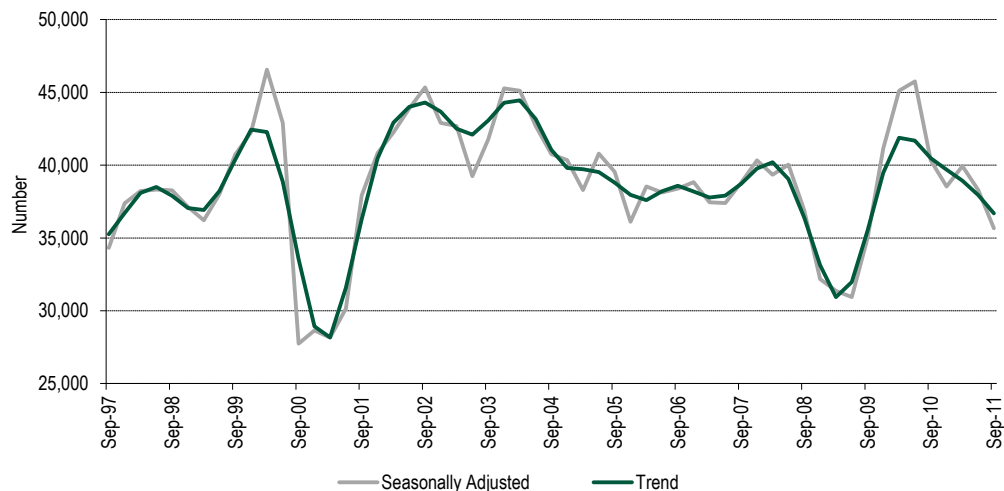
"Put this result on top of the September quarter national accounts outcome which showed there isn't much to the Australian economy beyond the mining sector and the urgent need for stimulus to kick-start new home building becomes crystal clear."

"The Federal Government needs to act urgently to provide a short term boost to new housing while re-engaging the reform agenda to reduce the structural impediments to supply," noted Mr Harvey.

In the September 2011 quarter total seasonally adjusted dwelling commencements fell by 6.8 per cent to 35,672, the lowest quarterly result in two years. Detached house commencements fell by 2.7 per cent to 22,628 while commencements of 'other dwellings' dropped by 13.3 per cent to 12,760 (the lowest quarterly level since December 2009). The number of seasonally adjusted dwelling commencements fell in six of the eight states and territories in the September 2011 quarter. Dwelling commencements fell by 4.8 per cent in New South Wales, 15.2 per cent in Victoria, 5.7 per cent in South Australia, 5.0 per cent in Western Australia, 9.0 per cent in Tasmania and 8.6 per cent in the ACT. Seasonally adjusted starts rose by 7.9 per cent in Queensland and by 11.8 per cent in the Northern Territory.

Total Dwelling Starts – Australia

Source: ABS 8750



**For further information please contact:**

Andrew Harvey, Senior Economist

0408 081 977



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Harley Dale, Chief Economist

0414 994 186

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