

## A TOUGH YEAR FOR AUSTRALIA'S "HOUSING 100"

Australia's largest home builders faced a challenging year in 2006/07, with a decrease recorded in both the number of starts and market share.

In a year when 149,000 homes were commenced, the fourteenth annual *HIA Housing 100* shows that total home starts fell amongst the nation's largest 100 builders, while their share of the whole market decreased from 40 per cent to 38 per cent.

They started 56,332 dwellings in 2006/07 made up of 42,165 houses and 10,967 flats, units and townhouses. This was 3,708 less than the previous year.

Western Australia based **BGC (Australia)**, was Australia's biggest builder for the fifth consecutive year with 3,343 starts which was down significantly on the 4,558 homes they built in the previous year. The company which in 2006/07 traded under the brands BGC Residential, J-Corp, and Ventura Homes, built 2,802 detached houses and 543 units.

LU Simon Builders were the nation's largest multi-unit builder over the year with 1,267 starts, up on the 703 starts achieved in 2005/06 marginally ahead of Multiplex Limited who were the second largest multi-unit builder, with 1,266 starts.

The revenue earned by the largest 100 builders is estimated to have fallen again in 2006/07 down 3 per cent from \$11.8 billion to \$11.4 billion.

HIA's Executive Director Housing and Economics Mr Simon Tennent said that the potent combination of rising interest rates and poor affordability has tested the resolve of Australia's largest home building companies.

"While some states fared better than others, there was very little opportunity in any of the residential development sectors for many of these companies," Mr Tennent said.

"Those engaged in land development found it very difficult to find affordable raw land sites or sell their existing blocks at break even point. Those that moved to higher density construction were also hamstrung through slow approvals processes and community opposition to infill development," Mr Tennent added.

"It is somewhat frustrating that the economies of scale that the largest builders have in delivering affordable product has been all but eroded. This group has the capacity to deliver an additional 10,000 homes per annum but they continued to be weighed down by regulation, taxation and supply-side constraints," Mr Tennent said.

This report is yet another clear signal that sensible reforms and national leadership on housing affordability must remain a priority.

### **CONTACT:**

For further information please contact Simon Tennent, HIA Executive Director Housing and Economics on 0419 445 557

For state based releases or for a copy of the full HIA Housing 100 Report (media only), please contact Kirsten Lewis on 0402 208 321. To order a copy of the full report please go to <http://economics.hia.asn.au>



## LARGEST 20 Home Builders

Rank		Company	Starts	
2006/07	2005/06		2006/07	2005/06
1	1	BGC (Australia)	3,343	4,558
2	2	Alcock/Brown-Neaves Group*	3,312	3,458
3	6	Meticon Homes	1,817	1,706
4	4	JWH Group	1,800	3,596
5	5	Henley Properties	1,762	1,790
6	3	Glenwood Homes	1,569	1,442
7	10	Tamawood *	1,421	910
8	7	Investa Property Group	1,306	1,276
9	9	Mirvac Group	1,281	1,240
10	29	L.U. Simon Builders	1,267	703
11	28	Multiplex Limited	1,266	705
12	8	Hotondo**	1,246	1,242
13	12	Coral Homes *	1,211	1,121
14	13	Simonds Group	1,037	1,049
15	26	Scott Park Homes	988	738
16	19	JG King	986	905
17	16	Porter Davis Homes	986	930
18	21	Hickinbotham Group of Companies	926	856
19	18	Weeks Group of Companies	915	920
20	31	Burbank Homes	890	555

\* Some dwellings built under franchise

\*\* All dwellings built under franchise

## Biggest Movers in 2006/07

Builders who increased their starts by 130 or more

Rank		Company	Increase in starts in 2006/07	
2006/07	2005/06		No.	%
10	29	L.U. Simon Builders	564	45
11	28	Multiplex Limited	561	44
25	37	Villa World aka MFS Diversified Group	306	40
30	40	Perry Homes (Aust)	272	41
14	26	Scott Park Homes	250	25
20	31	Burbank Homes	233	26
66	-	Laing O'Rourke	200	100
7	10	Tamawood	181	13
21	27	Home Australia	150	17
39	50	McDonald Jones Homes	132	32