

A TOUGH YEAR FOR AUSTRALIA'S "HOUSING 100"

Tougher housing conditions in 2007/08 are reflected in Australia's largest home builders experiencing a decline in both the number of starts and their market share.

In a year when the number of homes commenced increased to nearly 157,000 dwellings, the fifteenth annual **HIA Housing 100** shows that total home starts fell amongst the nation's largest 100 builders, while their share of the whole market declined significantly from 38 per cent to 34 per cent.

The top 100 builders started 56,332 dwellings in 2007/08, 3,234 fewer than the year before. In 2007/08 there were 38,991 houses and 8,656 flats, units and townhouses.

Western Australia based **BGC (Australia)** was Australia's biggest builder for the sixth consecutive year. BGC had 3,304 starts which was a similar number to the previous year (3,343). In 2007/08 the company built 2,585 detached houses and 719 units.

The biggest detached house builder in Australia was the Alcock, Brown-Neaves Group, also from Western Australia, with 2,803 starts.

LU Simon Builders was the nation's largest multi-unit builder for the second year in a row with 1,259 starts, only marginally fewer than in 2006/07. Mirvac Group was the second largest multi-unit builder with 948 starts.

The revenue earned by the largest 100 builders is estimated to have fallen for a third consecutive year in 2007/08, down by 6 per cent from \$11.4 billion to \$10.8 billion following a 3 per cent decline in 2006/07.

HIA's Chief Economist, Harley Dale, said that aggressive interest rate hikes had combined with imbedded structural supply constraints to make 2007/08 a very challenging business environment for Australia's largest home building companies.

"The supply constraints to new home building are extremely high in the form of exorbitant land costs, statutory charges, and excessive planning delays," Harley Dale said.

"Once a short and substantial hit to mortgage rates was placed on top of these existing supply side problems it became increasingly difficult for large volume builders to do what they do best – deliver quality, affordable housing in a timely and efficient manner," Mr Dale said.

"This is a ridiculous situation to have emerged given that Australia is falling more than 40,000 dwellings a year short of what is required to meet underlying demand," Mr Dale added.

CONTACT:

For further information please contact Harley Dale, HIA Chief Economist on 0414 994 186

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	
2007/08	2006/07		2007/08	2006/07
1	1	BGC (Australia)	3,304	3,343
2	2	Alcock/Brown-Neaves Group*	3,000	3,312
3	3	Metricon Homes	2,277	1,817
4	5	Henley Properties	1,856	1,762
5	9	Mirvac Group	1,767	1,281
6	7	Tamawood*	1,487	1,421
7	4	JWH Group	1,416	1,800
8	10	L.U. Simon Builders	1,259	1,267
9	14	Simonds Group	1,253	1,037
10	13	Coral Homes*	1,229	1,211
11	18	Hickinbotham Group of Companies	1,202	926
12	6	Glenwood Homes	1,170	1,569
13	12	Hotondo Homes**	1,116	1,246
14	16	Porter Davis Homes	1,105	986
15	24	GJ Gardner Homes*	1,088	836
16	19	Weeks Group of Companies	1,032	915
17	17	JG King	1,029	986
18	15	Scott Park Homes	931	988
19	8	Investa Property Group	902	1,306
20	28	Devine Group	888	662

* Some dwellings built under franchise

** All dwellings built under franchise

Biggest Movers in 2007/08

Builders who increased their starts by 100 or more

Rank		Company	Increase in starts in 2007/08	
2007/08	2006/07		No.	%
1	9	Mirvac Group	486	28
2	3	Metricon Homes	460	20
3	18	Hickinbotham Group of Companies	276	23
4	24	GJ Gardner Homes	252	23
5	28	Devine Group	226	25
6	14	Simonds Group	216	17
7	27	Summit Homes Group	172	20
8	93	Trlin Developments	159	60
9	50	Rossdale Homes	132	32
10	16	Porter Davis Homes	119	11
11	19	Weeks Group of Companies	117	11
12	77	Hermitage Properties Pty Ltd	116	43
13	-	Hamra Homes Group	108	-