



## New Home Building in 2011

February 2011

### Key Points:

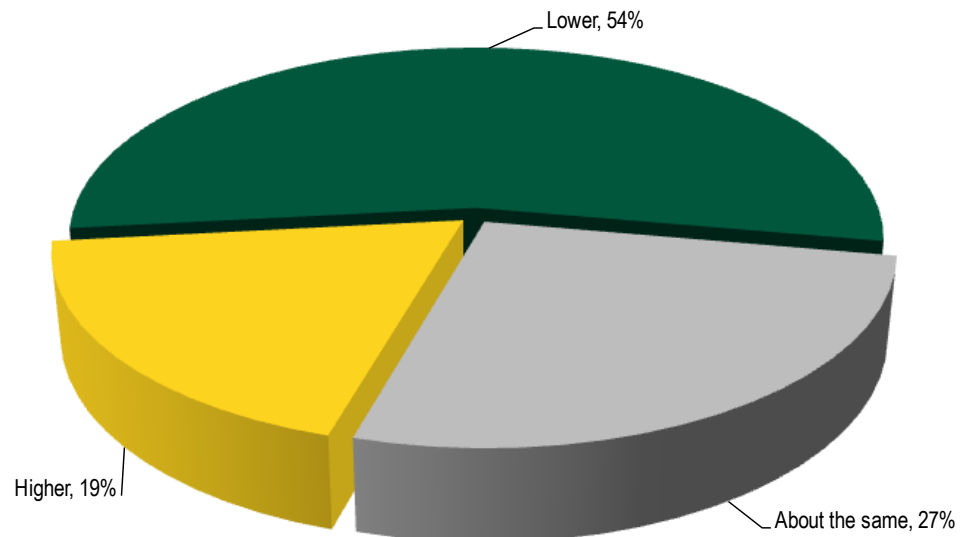
- The HIA Economics Group has just conducted a five question survey of HIA builder members regarding new home building conditions.
- The survey was conducted over late November 2010 to January 2011.
- 446 HIA Members responded to the survey.

### *How do you think your number of new home starts in 2011 will compare to 2010?*

Of the 446 respondents to the survey 54 per cent stated they thought their new home starts would be lower in 2011 compared to 2010. 27 per cent stated they thought their starts would be about the same and 19 per cent stated they thought their starts would be higher.

How do you think your number of new home starts in 2011 will compare to 2010?

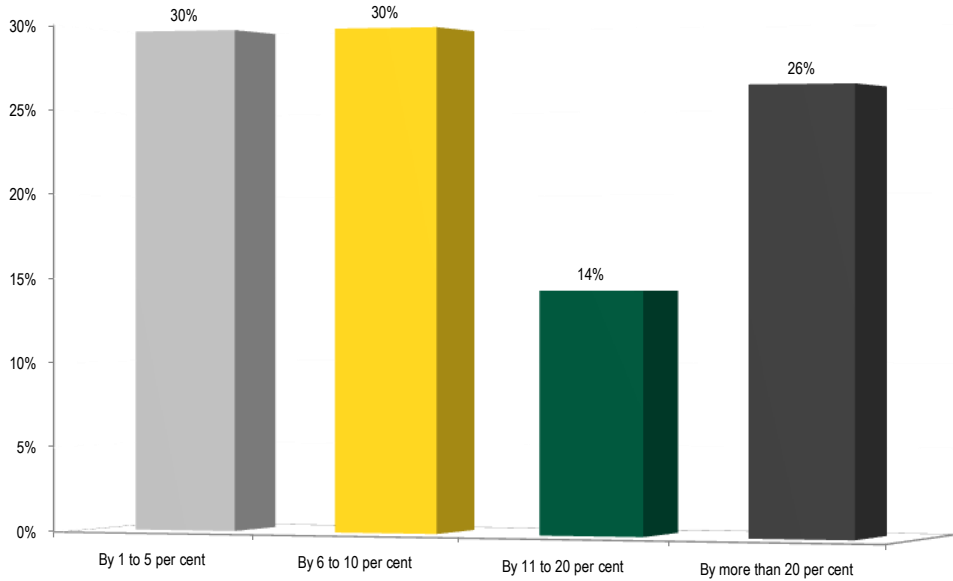
Source: HIA Economics Group



***If higher, how much do you think new home starts will increase in 2011?***

Of the 19 per cent of respondents who stated they thought their starts would be higher in 2011, 30 per cent stated they thought starts would be up by between 1 to 5 per cent and a further 30 per cent stated they thought starts would be up between 6 to 10 per cent. 26 per cent stated starts would be up by more than 20 per cent and 14 per cent stated by between 11 to 20 per cent higher.

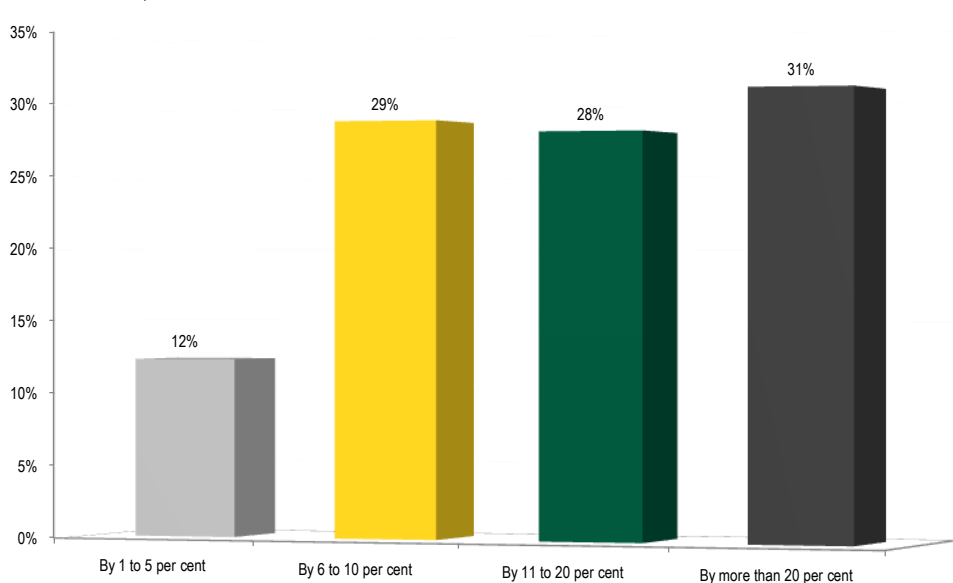
If higher, how much do you think new home starts will increase in 2011?  
Source: HIA Economics Group



***If lower, how much do you think new home starts will fall in 2011?***

Of the 54 per cent of respondents who stated they thought their starts would be lower, 31 per cent stated by more than 20 per cent. 29 per cent stated down by between 6 to 10 per cent, 28 per cent stated by between 11 to 20 per cent and 12 per cent by between 1 to 5 per cent.

If lower, how much do you think new home starts will fall in 2011?  
Source: HIA Economics Group

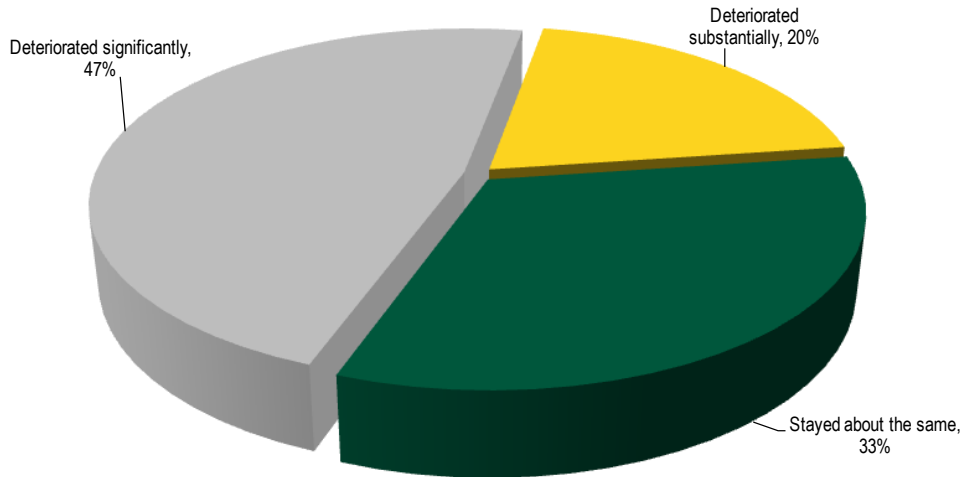


**What do you think was the impact on new home building conditions of the increases in interest rates in early November? New Home building conditions have:**

47 per cent of respondents stated they thought that building conditions had deteriorated significantly since the increases in interest rates in early November. 33 per cent stated they thought conditions had stayed about the same and 20 per cent stated that they thought conditions had deteriorated substantially.

What do you think was the impact on new home building conditions of the increases in interest rates in early November? New home building conditions have:

Source: HIA Economics Group



**What impact do you think a lack of available finance is having on new home building?**

57 per cent of respondents stated they thought the lack of available finance was significantly restraining the level of new home building, 31 per cent stated it was substantially restraining the level of new home building, while 12 per cent stated they thought the increase had no material impact.

What impact do you think a lack of available finance is having on new home building?

Source: HIA Economics Group

