

## ABS Confirms Slow Start for 2009

New residential building work fell sharply in the March 2009 quarter according to preliminary figures released today by the Australian Bureau of Statistics.

The Housing Industry Association, Australia's largest building industry organisation, said that the result reinforces the urgency of rolling out the Federal Government's plan for 20,000 public and community housing dwellings.

HIA Chief Economist, Dr Harley Dale said that the First Home Owner Boost and very low mortgage rates will help turnaround the decline in new home building activity.

Seasonally adjusted work done on new residential dwellings fell by 6.3 per cent in the March 2009 quarter to an annualised worth of \$33.3 billion, 4.3 per cent down on a year earlier. Work done on detached houses dropped by 8 per cent over the March quarter to be worth \$22.8 billion in annualised terms. Work done on 'other dwellings' fell by 2.6 per cent to be worth an annualised \$10.5 billion.

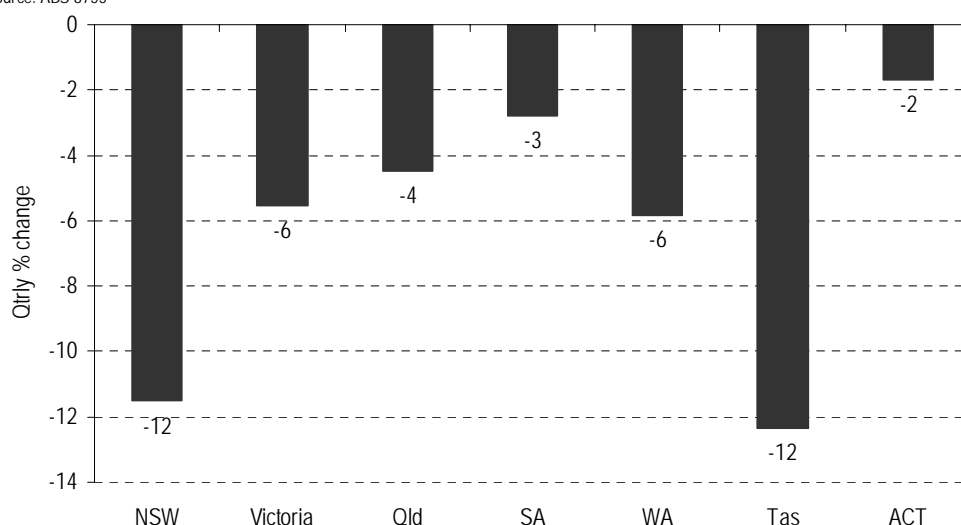
"Leading indicators signalled long ago that the first half of 2009 would be a weaker period for new building activity. The substantial stimulus in place creates a strong prospect for this situation to reverse later in the year, which is important for employment in construction and in related manufacturing and service sectors," Harley Dale said.

A reduction in seasonally adjusted new home building work done was evident across Australia in the March 2009 quarter with the largest falls occurring in Tasmania (-12.4 per cent) and New South Wales (-11.5 per cent). There was a decline of 5.8 per cent in Western Australia, 5.6 per cent in Victoria, 4.5 per cent in Queensland, 2.8 per cent in South Australia, and 1.7 per cent in the Australian Capital Territory. In original terms new home building work done was down by 28 per cent in the Northern Territory compared to the March 2008 quarter.

Work done on major alterations and additions fell by a disappointing 6.1 per cent in the March 2009 quarter but leading indicators point to the possibility of a bounce-back in the June quarter.

Change in New Residential Work Done, Mar 09 Qtr

Source: ABS 8755



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