

WEAK FIRST QUARTER FOR HOUSING STARTS

The poor run of housing numbers continued with housing starts for the March quarter down 3.3 per cent on a seasonally adjusted basis.

According to Australian Bureau of Statistics figures released today, new home starts decreased to a level of 38,928. Detached house starts decreased by 5.4 per cent to 25,997 while multi-unit starts grew by 2.4 per cent to 12,295.

HIA's Chief Economist, Harley Dale said interest rates were hitting the new housing segment very hard and that high interest rates would mean housing shortages were likely to remain for the immediate future.

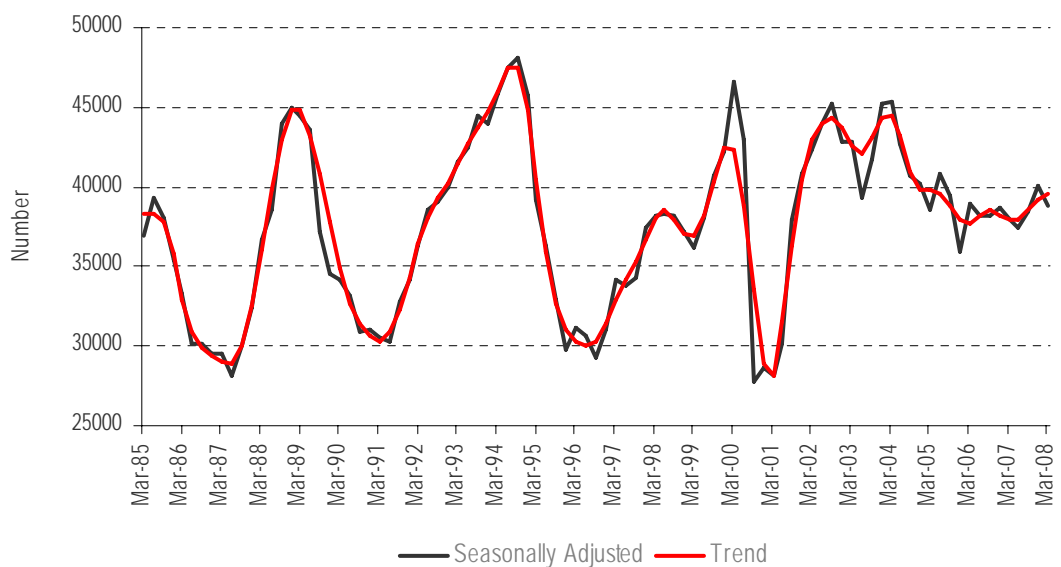
"The level of starts over the previous 12 months fell at least 25,000 dwellings short of what was required to satisfy underlying demand. Several years of low home building has meant that Australia has now accumulated a huge shortage of housing for both the owner occupied and private rental market," said Harley Dale.

This situation will only become more acute as Australia continues one of the strongest immigration programs in the nation's history. To ensure adequate housing for home purchasers and renters immediate action is required by all levels of government.

"To this end Federal policy announcements in 2008 to date aimed at boosting the supply of affordable housing over time are a vital plank in arresting what remains a downward spiral in housing affordability," Harley Dale said.

On a state-by-state basis, the seasonally adjusted number of housing starts in the March 2008 quarter decreased by 9 per cent in Queensland, 4.8 per cent in Victoria, 7.3 per cent in Western Australia, 13.3 per cent in Tasmania and 16.9 per cent in the ACT. Starts were up by 9.3 per cent in New South Wales, 24.7 per cent in South Australia, and 14.9 per cent in the Northern Territory.

Total Dwelling Starts – Australia



FURTHER INFORMATION:

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