

ACUTE HOUSING SHORTAGE PERSISTS

A slight rise in dwelling commencements in the September 2007 quarter does little to alter an acute shortage of housing stock in Australia.

According to Australian Bureau of Statistics figures released today, new home starts inched up by 1.3 per cent over the September 2007 quarter to 37,647, a level still 0.8 per cent lower than in the September quarter last year.

Detached house starts were effectively flat over the September quarter, at a level of 25,877. Multi-unit starts increased by 5.8 per cent to a level of 11,520.

Over the 12 months to September 2007 total housing starts were running at a level of 151,418. This level was only 0.8 per cent higher than the previous 12 month period and fell some 20,000 dwellings short of the annual number required.

Australia's peak building industry body, HIA, said that the 2007 calendar year would end up being the fifth consecutive year of weakness for housing starts across Australia.

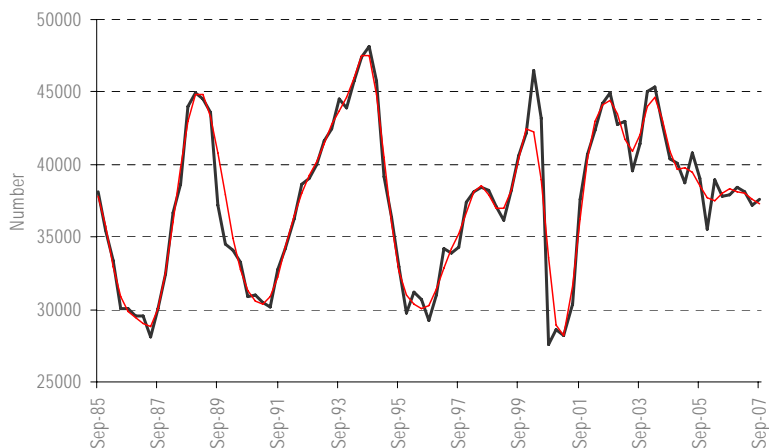
HIA's Chief Economist, Mr Harley Dale, said that the dire shortage of housing stock would place further pressure on already very tight rental markets in 2008.

"A range of Federal policies to address the supply side costs to new home building are to be applauded and will play a big role in reducing the current acute shortage of housing stock," Mr Dale said.

"However, the number of new housing starts has been trending down again for a full 12 months and a major turnaround in this situation won't happen overnight, especially in a domestic climate biased towards higher interest rates," Mr Dale added.

On a state-by-state basis, the seasonally adjusted number of housing starts increased by 36.8 per cent in the Australian Capital Territory and was up by 9.3 per cent in Tasmania, 6.6 per cent in Victoria, 6.5 per cent in New South Wales, and 2.3 per cent in South Australia. Housing starts fell by 20 per cent in the Northern Territory and were down by 8.1 per cent in Western Australia, and 1.6 per cent in Queensland.

Total Dwelling Starts – Australia



FURTHER INFORMATION: Please contact:
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