

## PAIN PERSISTS FOR HOUSING STARTS

Housing starts fell for the third consecutive quarter in September.

HIA, Australia's biggest residential building association, said a sharp decline ahead of the full impact of tighter credit conditions highlighted the risk of a further drop in starts in 2008/09, particularly for the multi-unit sector.

HIA's Chief Economist, Harley Dale said that housing starts fell by nearly 11 per cent in the September 2008 quarter, which was HIA's forecast. At a level of 35,425 for the quarter, starts hit their lowest level since the GST-induced weakness seen in 2001.

According to Australian Bureau of Statistics figures released today, detached house starts fell by 11 per cent to 24,130. Multi-unit starts dropped by 8.8 per cent to 11,070.

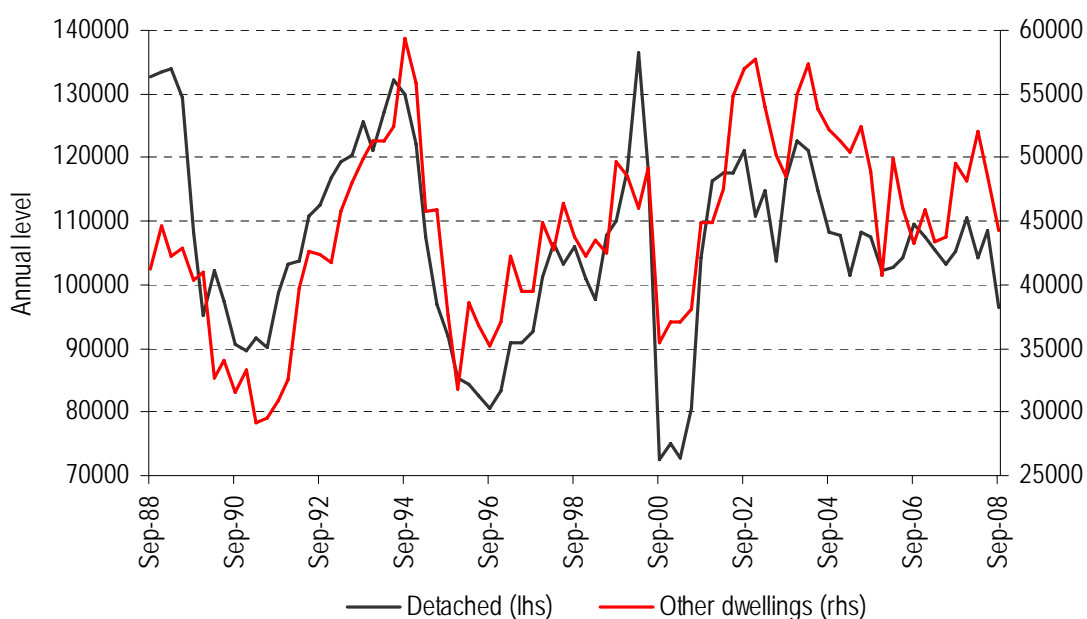
"The annual level of housing starts is running at 141,700 and will drop well below the 140,000 mark in the December quarter," Harley Dale said.

"Hefty interest rate cuts and fiscal stimulus create the potential for a modest recovery in detached house starts over the first half of 2009. The longer the current negative impacts of the credit crunch and general uncertainty persist, the greater the risk such a recovery fails to materialise," added Harley Dale.

The weakness in seasonally adjusted housing starts in the September 2008 quarter was concentrated in New South Wales (down 25.1 per cent), Queensland (down 22.7 per cent), and Western Australia (down 20.5 per cent).

The number of housing starts in the September 2008 quarter increased by 77.3 per cent in the Australian Capital Territory, and was up by 18.2 per cent in South Australia, 9.7 per cent in Victoria, 7.5 per cent in Tasmania, and 1.5 per cent in the Northern Territory.

Total Dwelling Starts – Australia



### FURTHER INFORMATION:

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