

## ABS Confirms Weak Start for 2009

Final figures released today by the Australian Bureau of Statistics confirm that new residential building work fell sharply in the March 2009 quarter.

The Housing Industry Association, Australia's largest building industry organisation, said that the weak start to the year reinforces the importance of government initiatives to stimulate new home construction.

HIA Chief Economist, Dr Harley Dale said that the First Home Owner Boost and very low mortgage rates were fuelling a turnaround in new home building activity in mid 2009, but this was not enough on its own to generate a sustainable recovery.

"The timely roll-out of the social housing initiative to build 20,000 dwellings, together with other Federal government programs such as the National Rental Affordability Scheme (NRAS) and the Housing Affordability Fund (HAF), are essential to ensuring that a new home building recovery gathers legs rather than peters out," Harley Dale said.

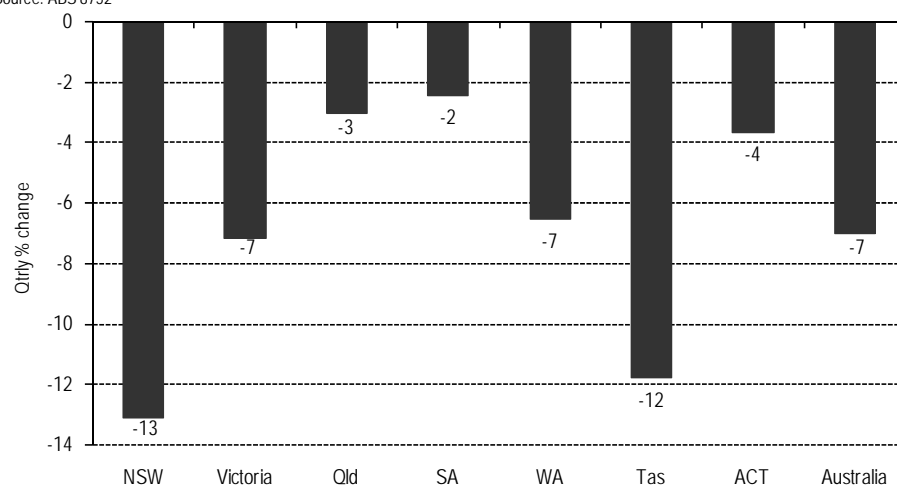
Seasonally adjusted work done on new residential dwellings fell by a downwardly revised 7 per cent in the March 2009 quarter to an annualised worth of \$33.1 billion, 4.8 per cent down on a year earlier. Work done on detached houses fell by 9 per cent over the March quarter to be worth \$22.5 billion in annualised terms. Work done on 'other residential building' fell by 2.5 per cent to be worth an annualised \$10.6 billion, but leading indicators are suggesting a sharper pull-back to come.

There was a decline in seasonally adjusted new home building work done across Australia in the March 2009 quarter with the largest falls occurring in New South Wales (-13.1 per cent) and Tasmania (-11.8 per cent). There was a decline of 7.1 per cent in Victoria, 6.5 per cent in Western Australia, 3.6 per cent in the Australian Capital Territory, 3 per cent in Queensland, and 2.4 per cent in South Australia. New home building work done was down by 28.9 per cent in original terms in the Northern Territory compared to the March 2008 quarter.

"Work done on major alterations and additions fell by 3.2 per cent in the March 2009 quarter but leading indicators suggest this sector will grow in the June quarter," said Harley Dale.

Change in New Residential Work Done, Mar 09 Qtr

Source: ABS 8752



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