

HOME BUILDING ACTIVITY ONLY SLIGHTLY DOWN

Residential building activity eased by less than 1 per cent in the third quarter of 2005 as the volume of work in the pipeline continued to hold at high levels.

Figures released today show that the value of residential building activity declined by 0.8 per cent in the September 2005 quarter, to still be at a level of over \$9 billion.

This barest of falls was the result of a 0.7 per cent fall in new building work done to \$7.6 billion and a 1.1 per cent decline in work done on alterations and additions to \$1.4 billion.

Australia's peak building industry body, HIA, said that further moderate falls in residential building activity would occur throughout 2005/06.

HIA's Senior Economist, Mr Harley Dale, said that a remaining large pipeline of uncompleted work was helping ensure a moderate drop-off in activity from the peak reached last year.

"The level of work left to be started or completed is off its peak, but remains historically very high. As this work unwinds there will be further declines in building activity, but there is nothing to suggest an alarming drop-off is in the offing," Mr Dale said.

"To an extent the level of work remaining reflects continuing tight trade supply in many parts of Australia," Mr Dale added.

"Nevertheless, residential building activity is only 2 to 3 per cent lower than a year earlier. More than 12 months on from the building peak, that is an encouraging update."

Across the country, residential building activity rose over the quarter in the Australian Capital Territory, up 9.7 per cent, Tasmania, up 7.4 per cent, Western Australia, up 4 per cent, and Victoria, up 2.1 per cent. Falls were recorded in Queensland, down 3.6 per cent, and South Australia and New South Wales, both down by 2.2 per cent.

FURTHER INFORMATION: Please contact:
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Work not yet Done

