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## HOME BUILDING ACTIVITY STABLE AS PIPELINE GROWS

Residential building activity stabilised in the third quarter of 2004, adding slightly to the already record pipeline of work yet to be done.

Figures released today show that despite a fall in total building activity in the September 2004 quarter, the value of residential building work done increased to \$8.717 billion, up 0.8 per cent to its highest level in 4 years.

Australia's peak building industry body, HIA, said that the robust result for residential building was largely expected based on a large number of unit and apartment projects being completed over the three months.

HIA's Chief Economist, Mr Simon Tennent, said that last September saw the completion of a number of large projects that were commenced at the height of the property boom in 2003.

"This strong apartment result has masked the slight falls in the detached house sector and a virtually flat result in the value of council approved alterations and additions," Mr Tennent said.

"We should also be mindful that these are September figures so should have no bearing on interest rates, particularly given the anecdotal reports of falls in forward orders over the December quarter," Mr Tennent added.

"Nevertheless, this is still an exceptional result for the home building and renovation industry who faced tightening trade supply and higher material prices over the period and has added to the work yet-to-be-done pipeline, up \$80 million to a record \$14.894 billion, or equivalent to some 7 months work."

On a state by state basis, residential building activity rose over the quarter in New South Wales, up 2.4 per cent followed by Queensland, up 1.9 per cent and Western Australia, up 0.2 per cent. Falls were recorded in South Australia, down 3.6 per cent, Tasmania, down 3.1 per cent, the ACT, down 2.9 per cent and Victoria, down 0.8 per cent.

**FURTHER INFORMATION:** Please contact:  
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<http://economics.hia.asn.au/index.aspx>