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NEW HOME STARTS INCH HIGHER IN SEPTEMBER QTR

The number of new home starts barely changed in the September 2006 quarter as new housing demand continued to struggle against poor housing affordability.

According to Australian Bureau of Statistics figures released today, new home starts inched up by 0.3 per cent in the September quarter to 37,779, a level 2.6 per cent lower than in the September quarter last year. The result follows a 9.2 per cent fall in the June quarter.

Detached house starts increased by 2.5 per cent to 26,542, a level 1.2 per cent higher than a year earlier. Multi-unit starts fell by 4.4 per cent to 10,902 and were 9.3 per cent lower than in the September quarter last year.

Over the twelve months to September housing starts were 4.3 per cent lower than in the twelve months to September 2005.

Australia's peak building industry body, HIA, said that the annual level of housing starts had dropped below the 150,000 mark.

HIA's Chief Economist, Mr Harley Dale, said that housing starts were running well below underlying demand.

"We need to be building around 160,000 dwellings per year to satisfy underlying demand but are falling more than 10,000 short," Mr Dale said.

"This unfortunate situation highlights the negative impact low levels of housing affordability are having on new housing and does nothing to alleviate a dire shortage of rental stock across the country," Mr Dale said.

On a state-by-state basis, the seasonally adjusted number of housing starts jumped up by 89.6 per cent in the Australian Capital Territory. There were also increases in South Australia, up by 10.9 per cent, Tasmania, up by 10.4 per cent, Victoria, up by 5.5 per cent, and Queensland, up by 3 per cent. Starts fell by 10.1 per cent in Western Australia and were down by 3.1 per cent in New South Wales. In original terms, starts fell by 30.2 per cent in the Northern Territory.

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