FOR IMMEDIATE RELEASE

the voice of the industry

MEDIA RELEASE

18 January 2012

ABS Confirms Weak Housing Activity

Final ABS figures released today confirm a weak quarter for both new housing and major alterations and additions activity in September 2011, said the Housing Industry Association, the voice of Australia's home building industry.

HIA Chief Economist, Dr Harley Dale, said that seasonally adjusted residential building work done fell by 1.6 per cent to an annualised level of $45.5 billion in the September 2011 quarter.

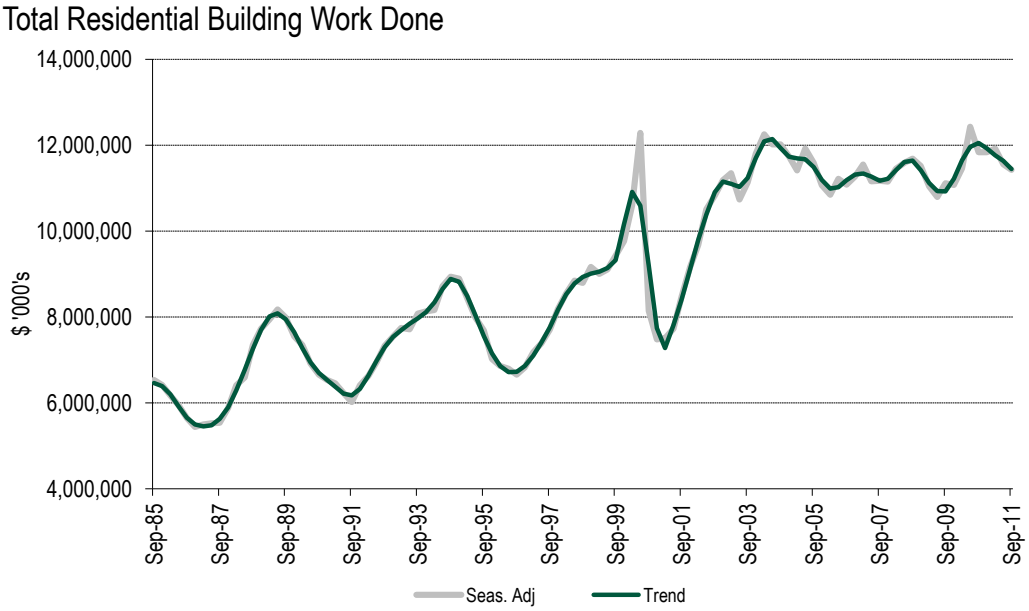
"Leading housing indicators looked very weak in late 2011, but ahead of this period actual residential construction activity had already been trending down for 12 months," Harley Dale said.

"A three pronged attack is required to resurrect activity in residential building, an industry which has a large multiplier impact in terms of output and employment across the wider domestic economy," said Harley Dale.

"There is an urgent need for further cuts in borrowing costs for both businesses and mortgage holders, short term government stimulus, and renewed action on the longer term housing policy reform front," added Harley Dale.

New residential building work done fell by 1.9 per cent in the September 2011 quarter reflecting a 2.6 per cent decline in detached housing and slight fall of 0.3 per cent in 'Other dwellings'. Meanwhile, the value of major alterations and additions work done, which accounts for around 20 per cent of total renovations activity, eased by 0.2 per cent.

In the September 2011 quarter, seasonally adjusted residential building work done fell by 17.9 per cent in South Australia, 7.9 per cent in Western Australia, 8.9 per cent in Tasmania, and 6.5 per cent in the Australian Capital Territory. Residential building work done increased by 1.1 per cent in New South Wales, 4.4 per cent in Victoria, and 0.9 per cent in Queensland. In original terms residential building work done in the Northern Territory in the September 2011 quarter was down by 15.5 per cent when compared to the September 2010 quarter.



For further information please contact:
Harley Dale, Chief Economist 0414 994 186