



the voice of the industry

FOR IMMEDIATE RELEASE

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Housing Industry Faces Recession

Today Australia's large and small builders, and building product manufacturers together issued a blunt warning that federal, state and local governments must act now to head off the looming recession in the residential building industry.

HIA members have converged for the Association's annual National Policy Congress, with the spectre of even further declines in housing starts and additional jobs losses imminent.

"The Australian housing industry is facing its worst conditions in decades," said Shane Goodwin, Managing Director of the Housing Industry Association. "New home building has collapsed and jobs are being shed right across the country."

"If the current conditions continue housing starts will fall below 130,000 for the year. To put this in perspective, that's about 30,000 dwellings below what is needed just to meet underlying demand for homes."

"The industry has suffered 8 years of declining new housing activity, which combined with current low levels of activity places us on the brink of recession."

"Governments must collectively arrest the looming crisis by increasing expenditure on infrastructure that supports new housing, providing financial incentives to stimulate new housing construction and reducing red tape."

"As well, the housing industry is bearing a disproportionate amount of the nation's taxation burden, with for example, over 40% of the price of a new house and land package being taxes and charges."

"What the Australian economy needs now is a revitalisation of the housing industry through tax relief and an injection of investment and funding into the new housing sector. Such an injection will provide a profound economic dividend to the broader economy."

"The housing industry directly generates over \$70 billion each year, and the multiplier effects across the rest of the economy support Australian jobs and the economic health of the nation."

"The time to act is now if we are to avert the housing industry going into recession and dragging the rest of the economy with it."

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