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## Cause for optimism for housing in the Hunter

There are healthy prospects for the residential building industry in the Hunter region, but ensuring housing affordability doesn't slip further out of peoples' reach will require constant policy focus.

HIA Chief Economist, Harley Dale, today provided an economic and housing outlook in Newcastle at HIA's first Hunter Industry Outlook Breakfast for 2012.

"Harley always provides a frank and comprehensive account of present and future conditions in the residential building industry in the Hunter region," said HIA Acting Executive Director, Hunter, Craig Jennion.

"The future is a bright one, I am pleased to report. However, a key point to Harley's address was the need for policy focus to ensure that as the Hunter economy continues to grow, housing doesn't slip behind the pack because of eroding affordability."

Harley outlined the impressive out-performance of new home building in the Hunter in recent years and provided a promising outlook for both new housing and renovations activity. Harley also discussed the challenges ahead emanating from events such as on-going problems in Europe and higher interest rates in Australia in 2012, and from the need to reduce the very high taxation that is levied on new housing.

"There is considerable demand for new housing in the Hunter, and also on the Central Coast, over the next ten years and beyond," said Mr Jennion. "The starting point is a good one with local government building approvals for detached houses in the Hunter up 8 per cent in 2011 after a very healthy 2010."

"We will not, however, succeed in affordably housing our growing population without constant focus on ensuring timely land supply, reducing planning delays and red tape, and generally lowering the inefficient taxation levied on new housing," added Mr Jennion.

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