



the voice of the industry

FOR IMMEDIATE RELEASE

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MEDIA RELEASE

## New housing hits 11 year low

Preliminary ABS figures released today confirm a further deterioration in residential construction activity in the June 2012 quarter, said the Housing Industry Association, the voice of Australia's residential building industry.

HIA Chief Economist, Harley Dale, said that a fifth consecutive decline in residential building work done provided a wake-up call to governments that they can't sit back and rely on interest rate reductions to lift a key Australian industry out of its current parlous state.

"Federal and state governments need to get out there and act on investment and reform initiatives to help revive the residential construction industry," Harley Dale said.

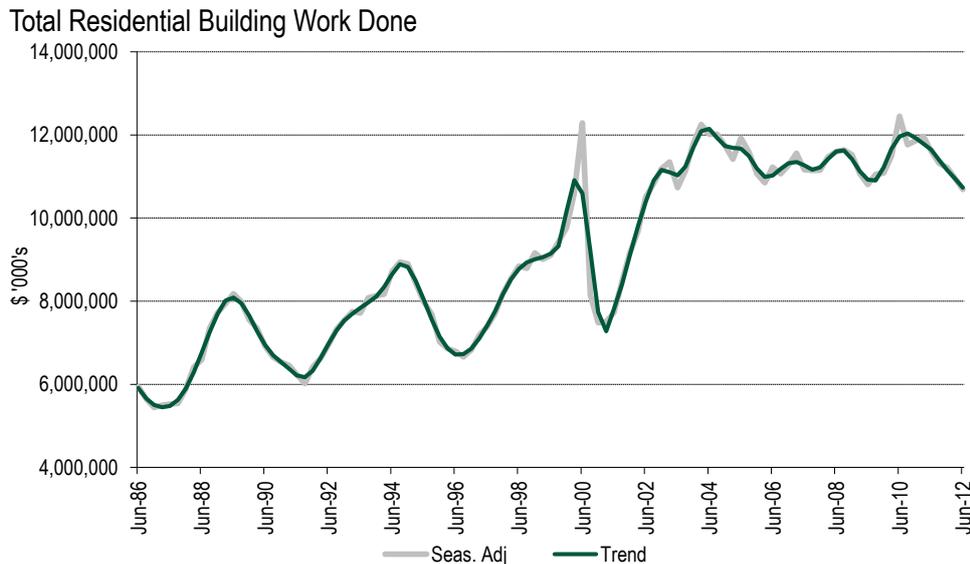
"New residential work done has been falling since the June quarter last year and is now running at an eleven year low, worse than experienced during the Global Financial Crisis," said Harley Dale. "That situation is unhealthy and undesirable for Australian businesses and households, while federal and state governments are too slow in taking action."

Larger renovations (alterations and additions) work done also continued to decline in mid 2012, with June representing the fourth consecutive quarter of contraction.

"Investment in larger alterations and additions projects trended higher for the better part of a decade. That trend has now firmly reversed amidst a tide of low consumer confidence, lack of available credit, and flat dwelling prices," Harley Dale said.

In the June 2012 quarter new residential building work done fell by 2.5 per cent. Detached housing, a key persistent source of weakness for the Australian economy, fell by 3.5 per cent. Work done on 'other dwellings' eased by 0.5 per cent. Work done on larger alterations and additions fell by 2.3 per cent in the June 2012 quarter to its lowest level since September 2009.

Residential building work done fell in five out of six states in the June 2012 quarter, Queensland providing the exception. Activity increased in the two territories.



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