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the voice of the industry

MEDIA RELEASE

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QLD housing to improve in 2012/13

The Housing Industry Association, the voice of Australia's residential building industry, today released the Winter edition of its Queensland Outlook, the state's most comprehensive housing report card.

Following what is, unfortunately, already assured to be another weak year in 2011/12, Queensland's housing starts are forecast to lift in the subsequent two years. The renovations sector has been a more positive story and activity is also forecast to grow in 2012/13.

"We all know that the residential construction industry in Queensland has endured an awful run over most of the last two years. This situation has been detrimental not only to those within the industry, but to the manufacturing and retail sectors and indeed the entire state economy," said HIA's Executive Director, Queensland, Warwick Temby.

"Almost every business involved in the residential building industry in Queensland has had its back against the wall. However, HIA is optimistic that we can work our way through these tough conditions and we expect to record material improvements in each of the next two years," said Warwick Temby.

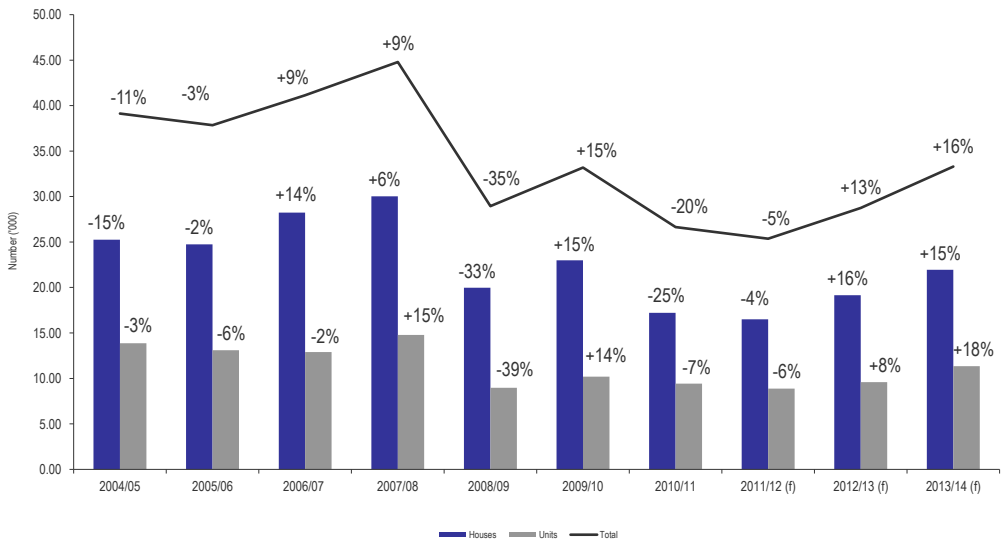
Housing starts were upwardly revised for the December 2011 quarter and off this higher base the March 2012 quarter posted an uplift of 2.5 per cent. Despite the upward revision, the annualised forecast for 2011/12 is essentially unchanged at 25,370 owing to a weaker outlook for the June 2012 quarter. HIA expects a 13.3 per cent growth in 2012/13 which would take starts to 28,745, followed by a 15.8 per cent uplift in 2013/14 to 33,286 starts.

"The growth is expected to be driven by lower interest rates and the confidence boost that the Queensland economy is starting to receive from the resources sector," said Warwick Temby.

Coming off a low base in the 2010/11 financial year, renovations investment in Queensland is expected to post 4.3 per cent growth in 2011/12 taking the annual total to $7.15 billion. HIA is forecasting 2012/13 to record 2.0 per cent growth, taking the total renovations investment to $7.30 billion. For 2013/14 we expect a 0.7 per cent decline in renovations activity.

New Housing Forecast, by Type, QLD Dwelling Starts

Source: HIA Economics Group



For further information please contact:
Warwick Temby, Queensland Executive Director on 0407 692 241