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the voice of the industry

MEDIA RELEASE

4 April 2012

HIA Housing Report Card – The Time for Government Action is Now

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

The autumn Outlook provides a comprehensive account of the very poor conditions afflicting South Australia's housing industry early in 2012.

Seasonally adjusted dwelling commencements fell by 15.4 per cent over the December 2011 quarter in South Australia. Dwelling commencements over the calendar year 2011 were down by 19.5 per cent compared with 2010.

"The weight of evidence has forced a downward revision to our new home building forecast which was already anticipating a decade low in 2011/12. We are now forecasting a decline of 14 per cent in housing starts in 2011/12 taking the expected number of new homes built to 9,050," said HIA Executive Director, SA, Mr Robert Harding.

"In addition to the revision to the 2011/12 outlook we have also lowered our expectations for 2012/13. We now expect only a moderate improvement of 2 per cent which would leave the level of home building at alarmingly low levels for yet another year," added Mr Harding.

"Every quarter during 2011 recorded new home building levels below those experienced during the GFC and the short term outlook is no better. South Australia's housing industry is enduring conditions akin to a recession," said Mr Harding.

The renovations sector weakened in 2010/11, but a moderate improvement is expected this year.

"Our renovations investment forecast for SA has also been downwardly revised although we still expect the sector to grow modestly. We expect renovations investment to increase by 1.2 per cent in 2011/12 and by a further 0.8 per cent in 2012/13, reaching a level of $1.96 billion," added Mr Harding.

"At the current level of activity the industry can not afford to wait for the state and federal governments to make the much needed structural reforms to reduce the inefficient barriers hindering new housing supply. There is an immediate requirement for direct, short term stimulus to new home building in South Australia," said Mr Harding. "Inaction on this front risks an exodus of the states skilled trades people as they leave our state in search of work," Robert Harding added.

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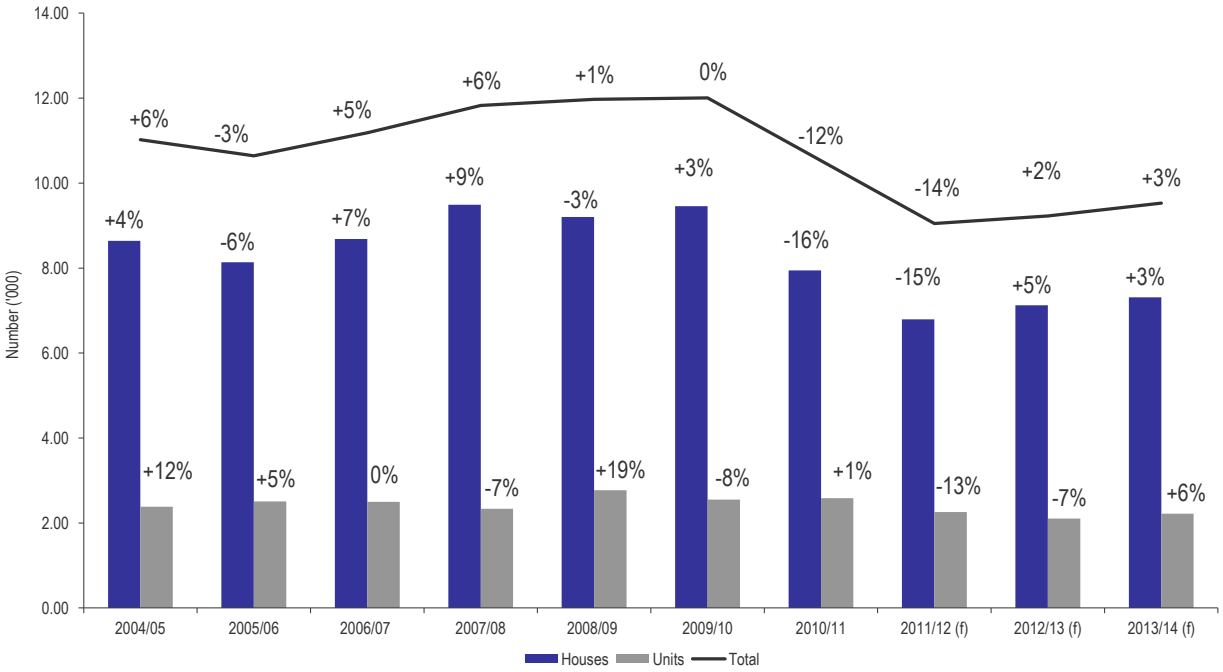
New Housing Forecast, by Type, SA Dwelling Starts

Source: ABS