



the voice of the industry

FOR IMMEDIATE RELEASE

14 March 2012

Tasmanian Home Starts on the Up

Tasmania was one of only two states to record positive growth in housing starts during the December Quarter.

Stuart Clues, Executive Director for HIA said "Seasonally adjusted Tasmanian housing starts jumped by 5.8 per cent along with NSW with a modest 0.6 per cent which is relatively good compared to a national decline of 6.9 per cent.

"It is always welcomed news when Tasmania bucks the national trend for good reasons and in a time of weakening economic indicators this is a shining light.

"These figures show the market is recognising there has never been a better time to build or renovate as good builders and tradespeople have capacity to take on new work.

"It was only a few years ago that finding Tradies was nigh on impossible; now with the slowing of the market there is capacity for new homes to be built at competitive rates and on time," stated Mr Clues.

Mr Clues said "With the share market and super performing poorly property still represents a great investment particularly in Tasmania where the rental vacancies are so tight.

"Nationally total dwelling starts were down in the December 2011 quarter, a result which means that in aggregate 148,108 new homes were started across Australia in 2011. This is 21,776 homes less than the 169,884 homes started in 2010."

"The December 2011 quarter dwelling commencement result is the worst since June 2009, with starts running at an annualised level of just 134,612 in the quarter," said Mr Clues.

"Private sector detached housing starts have now fallen for eight consecutive quarters and combined with other housing indicators highlights the urgency with which the Commonwealth Government needs to reform housing supply. The glacial pace of policy reform in terms of reducing the high cost of new housing is unsustainable and is causing unnecessary social and economic costs," noted Mr Clues.

"Rather than focussing on a short-term budget surplus outcomes the Commonwealth Government would be better-placed looking at how it can reform housing supply in order to lift home building levels, boost economic activity, and secure important productivity benefits," said Stuart Clues.

"Indeed, working closely with the states and territories to undertake expedient and rational housing supply reform such as drastically cutting stamp duty on new homes should be at the top of the Government's priority list in the current economic environment," added Mr Clues.

In the December 2011 quarter, detached house commencements fell by 2.9 per cent to 22,177 to be down by 8.0 per cent on one year earlier. Meanwhile, commencements of 'other dwellings' dropped by 14.6 per cent to 11,136 to be down by 23.2 per cent on one year earlier.

The number of seasonally adjusted dwelling commencements fell in six of the eight states and territories in the December 2011 quarter. Dwelling commencements fell by 7.3 per cent in Victoria, 17.9 per cent in Queensland, 15.4 per cent in South Australia, 3.3 per cent in Western Australia, 20.1 per cent in the Northern Territory, and 18.5 per cent in the ACT. Seasonally adjusted starts rose by 0.6 per cent in NSW and by 5.8 per cent in Tasmania.

MEDIA RELEASE



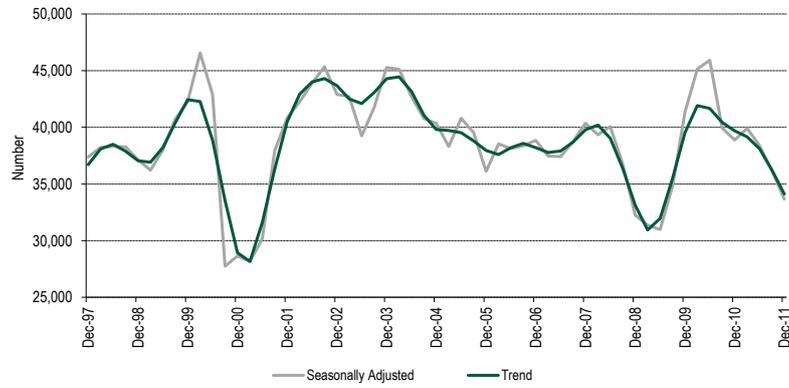
the voice of the industry

FOR IMMEDIATE RELEASE

MEDIA RELEASE

Total Dwelling Starts – Australia

Source: ABS 8750



For further information please contact:

Stuart Clues, HIA Executive Director 0438 319 753