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MEDIA RELEASE

It's Official: 2015 Sets New Record for Home Building

Final ABS results for 2015 confirm that last year was the strongest ever for new home building activity, said the Housing Industry Association (HIA), the voice of Australia's residential building industry.

"During 2015, just over 220,000 new dwellings began construction," explained HIA Senior Economist Shane Garrett. "This represents growth of 11 per cent on 2014, which was itself the previous record holder for new home activity."

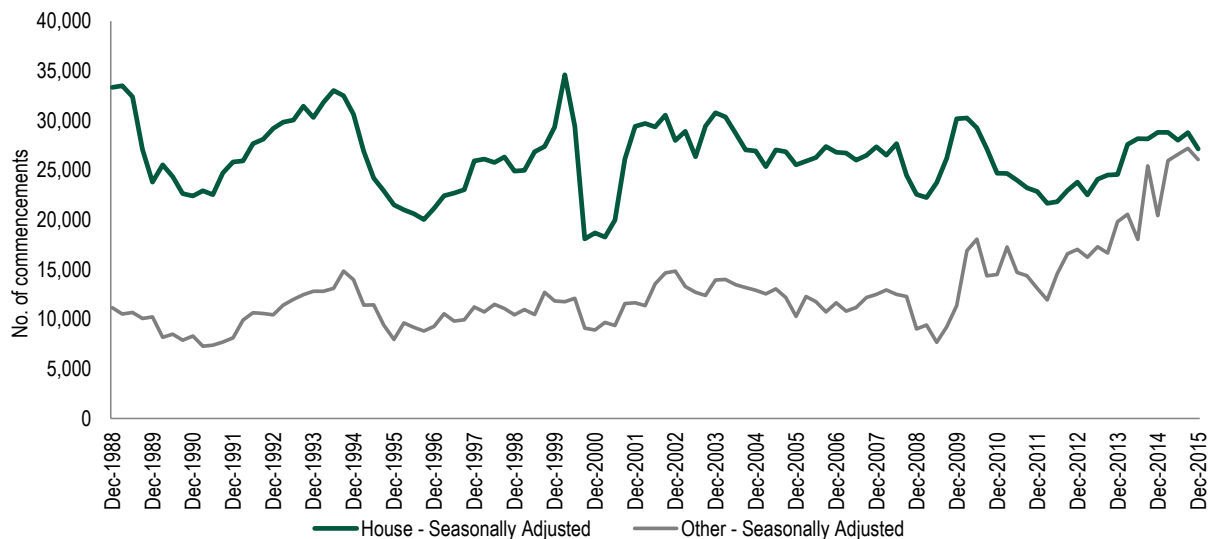
"It is impossible to overstate the importance of new home building in supporting economic activity over the past few years," Shane Garrett pointed out. "The mining slump left a big hole in economic growth, which residential building has partly alleviated, providing much needed employment in construction. Australia's housing stock has been augmented significantly by the high levels of new home building. This will benefit our economic capacity and living standards for decades to come," added Shane Garrett.

"New home building is likely to have peaked last year, and we will see fewer new homes started in 2016," predicted Shane Garrett. "Under current policy settings, new home building is then projected to fall below the levels required to provide for Australia's long term housing needs. We must avoid this outcome by immediately tackling the heavy taxation burden on new home building, speeding up the planning process and doing more to deliver shovel-ready residential land. In the absence of serious housing policy reform, there is a real risk that we will fall behind in the race for better living standards," concluded Shane Garrett.

During the 2015 calendar year, the largest increases in new dwelling commencements occurred in New South Wales (+19.1 per cent), Tasmania (+18.8 per cent) and Queensland (+18.7 per cent). Starts also increased in Victoria (+17.3 per cent) and the ACT (+6.0 per cent). Commencements fell in the Northern Territory (-22.4 per cent), Western Australia (-12.0 per cent) and South Australia (-9.4 per cent) during 2015.

House vs 'Other' Dwelling Commencements - Australia

Source: ABS 8752, HIA



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