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MEDIA RELEASE

New Home Starts Ease in September Quarter

“Strong levels of new home starts early last year underpinned one of the strongest years of residential building activity on record. Results for the second half of the year reflect the softening that have been evident in the broader housing market,” said HIA Senior Economist, Geordan Murray.

“The ABS today released building activity data for the September quarter of 2018. A total of 54,803 dwellings commenced construction which is down by 5.7 per cent in the quarter and down by 2.2 per cent against the same period a year ago.

“Detached house starts were down by 4.5 per cent in the quarter but were comparable with the level of starts during the September quarter a year earlier.

“Starts of ‘other dwellings’, primarily apartments, were down by 7.1 per cent in the quarter and down by 5.3 per cent on the year-ago level.

“This was a material decline but it can’t be considered a poor result. It was still a strong level of starts and there is a large amount of residential building work underway.

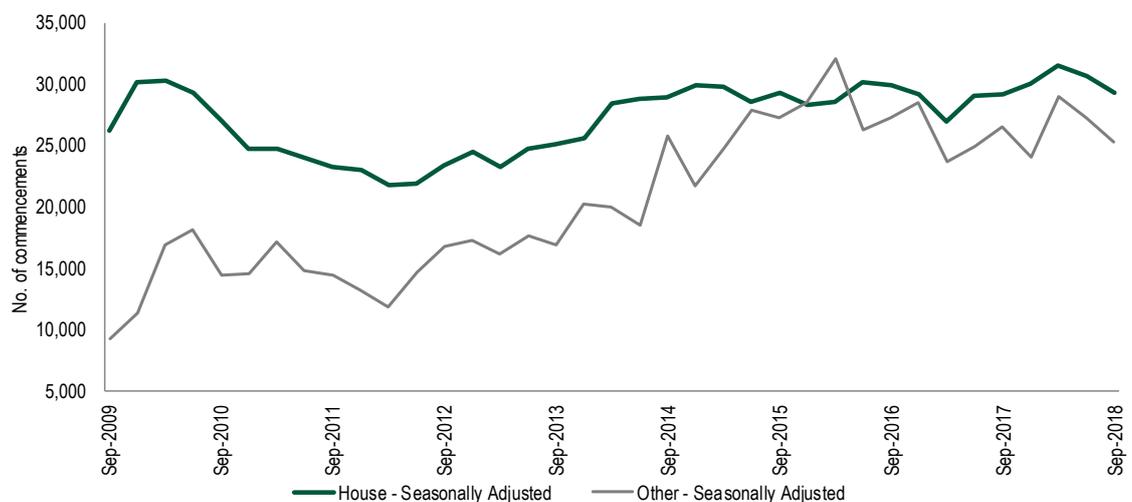
“We’ll continue to monitor activity closely as leading indicators suggest that there were fewer new projects entering the pipeline in the latter stages of 2018. This is a warning bell for the trajectory of starts in 2019.

“As projects that are currently under construction reach completion there are likely to be fewer new projects coming in behind them. This applies to both the detached house market and the market for higher density dwellings.”

Total housing starts in the September 2018 quarter increased in Queensland (8.3 per cent), Western Australia (2.9 per cent) and in the Australian Capital Territory (41.5 per cent). Housing starts declined in the remaining states: South Australia (-18.6 per cent), Victoria (-16.0 per cent), Tasmania (-6.0 per cent), New South Wales (-5.5 per cent) and the Northern Territory (-2.9 per cent).

House vs ‘Other’ Dwelling Commencements - Australia

Source: ABS 8752, HIA



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