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FOR IMMEDIATE RELEASE

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2019 WA Housing Outlook released

The credit squeeze combined with soft market activity will combine to keep housing starts low in Western Australia this year, with improved conditions expected towards Christmas, according to latest analysis from the Housing Industry Association.

“Western Australia’s economic activity has returned to growth, our population growth is increasing and mining employment is returning but unfortunately we’re yet to see that flow through to new home building at this stage,” said Cath Hart, HIA Executive Director, WA.

“Significant weakness in building approvals at the end of 2018 caused by the national credit squeeze impacted the local market at a time when there was a very low volumes of work in the pipeline.

“As a result, we expect that 2019 housing starts will remain uncharacteristically low and we hope to see improving conditions towards Christmas and into 2020.

“From this side of 2018, it is clear that previous chances of a 2019 recovery were killed off by the credit squeeze.”

The latest forecasts for WA’s home building industry are revealed in the latest edition of HIA’s Western Australia *Outlook* report which was released today. The HIA report is the most established and comprehensive review of activity in WA’s residential building market.

HIA now expects the level of home building in Western Australia to be slightly lower in 2019 with total housing starts forecast to slightly decline by 1.1 per cent to reach 16,025 homes this calendar year.

WA’s home building industry commenced construction on 16,200 homes in 2018 – consisting of 12,730 detached houses and 3,470 multi-units. This was a 17.8 per cent decrease from 2017.

“Although we will be coming from a very low base, looking ahead we are forecasting housing starts in Western Australia to rise by 18.1 per cent in 2020 to reach 18,918 homes that year,” Ms Hart said.

“This turnaround will follow the current renewal in growth in mining investment and mining employment in the WA economy.

“Gross state product has finally returned to growth after a protracted period of contraction and we believe the extensive recalibration of the mortgage market caused by the credit squeeze will have run its course by the end of 2019.”

**HIA’s National and State Outlook reports are Australia’s most comprehensive housing report card, encompassing forecasts of new dwelling construction volumes and renovations activity. The report also includes policy updates, analysis of global and domestic economic issues, as well as dedicated state and territory housing databases. For further information or for copies of the publication (media only) please contact: Cath Hart on c.hart@hia.com.au*

For further information please contact:
Cath Hart, Executive Director Western Australia

0409 680 880

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