

# MEDIA RELEASE



25 November 2020

## New Housing Starts Declined in the September Quarter

“Preliminary figures released by the ABS today on the value of residential construction work done showed a decline in the September 2020 quarter to its lowest level since 2014,” said Angela Lillicrap, HIA Economist.

“This data precedes the positive impact of the HomeBuilder program due to the lag between purchasing a house and commencing construction. It does reflect the impact of the restrictions on activity including the Victorian shutdown period,” added Ms Lillicrap.

“The value of work done on new houses in the September 2020 quarter is down by 3.9 per cent against the level a year ago.

“The value of work done on multi-unit dwellings is down by 19.2 per cent over the year. This poor result reflects the COVID shock compounding a cooling in the market that began at the end of 2018. The outlook for multi-unit starts is expected to remain very poor until the return of overseas migration.

“Leading indicators such as HIA’s New Home Sales data and ABS Building Approvals and Housing Finance data, have shown that the housing market picked up in the second half of 2020. This will flow through to work on the ground in the December quarter.

“The announcement of HomeBuilder was the catalyst for a surge in demand for new detached homes, but there are numerous other factors at play. These include low interest rates and improving confidence in the market.

“With the outlook for a strong new home building market and a strong renovations market, employment within the sector will grow into the new year,” concluded Ms Lillicrap.

### For further information please contact:

Angela Lillicrap, Economist 0404 406 567  
Tim Reardon, Chief Economist 0423 141 031