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MEDIA RELEASE

New home building in Tasmania to fall by almost 40 per cent

“HIA has revised its forecasts for the housing industry in light of the COVID-19 pandemic and now expects housing starts in Tasmania to be down by 7.5 per cent in this financial year and to decline by a further 34.5 per cent in 2020/21,” said HIA’s Regional Director, Stuart Collins.

HIA released its quarterly economic and industry outlook report today. The State and National Outlook Reports include forecasts for new home building and renovations activity for Australia and each of the eight states and territories.

“If this transpires, the commencement of new homes in Tasmania will have fallen by almost 40 per cent from last year, to next,” added Mr Collins.

“The shock to the economy from the halting of overseas migration, the absence of student arrivals and uncertainty over the domestic economy will see the national market at a lower point in December 2020, than it was during the 1990’s recession. It will then continue to decline through 2021, even with the return of overseas students and migration.

“This shock will reverberate through the residential building industry, up and down the supply chain. Employment in the sector is not expected to recover within the next two years.

“Tasmania entered this shock in the midst of an economic revival. Population growth was driving economic and housing industry activity. The loss of international tourists, students and migrants to the COVID-19 pandemic is a truly disappointing development for the Apple Isle.

“This further highlights the need to bring forward demand in Tasmania with stimulus aimed at new housing and renovation.

“The new Outlook released today forecasts new home building to fall nationally by almost 43 per cent, putting half a million jobs at risk,” concluded Mr Collins.

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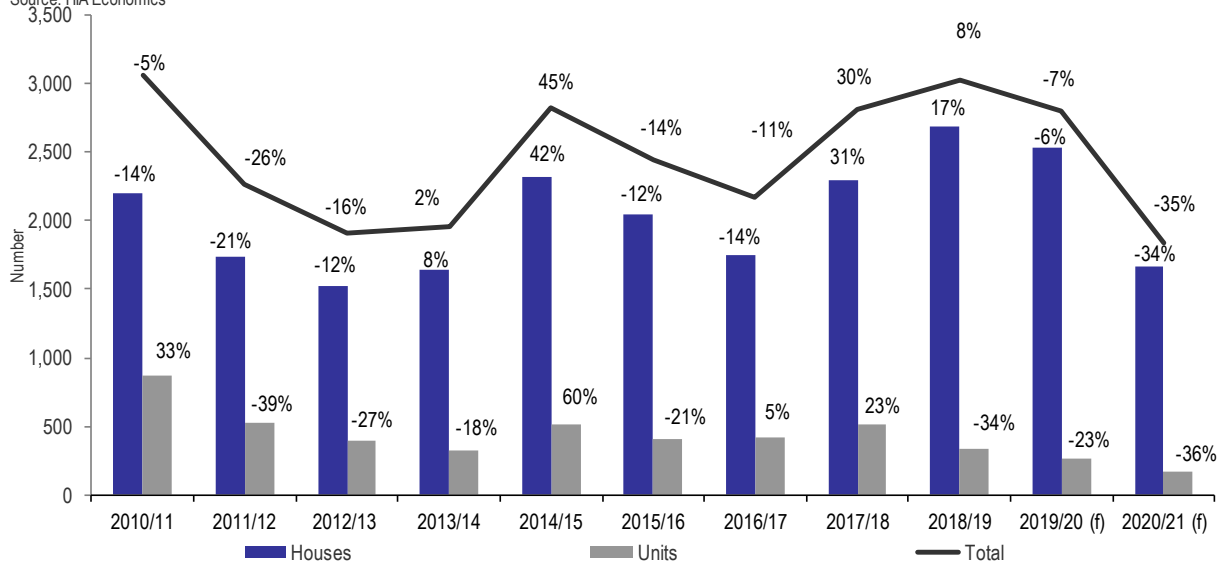
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New Housing Forecast, by Type, TAS Dwelling Starts

Source: HIA Economics



HIA's National and State Outlooks are Australia's most comprehensive housing report card, encompassing renovations activity, new home building, policy updates, global and domestic economic analysis, and dedicated state and territory housing databases. For a copy of the publication (media only) please contact k.lewis@hia.com.au