



*the voice of the industry*

**MEDIA RELEASE**

25 February 2020

## **Victorian Housing Outlook: soft landing still on the cards**

“Victoria’s cooling housing market continues to be supported by some very strong economic fundamentals,” stated HIA Executive Director, Fiona Nield.

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.

“Victoria has outpaced the national economy for the last five years and has had an unemployment rate an average 0.4 per cent below the nation for the last two years,” added Ms Nield.

“Overseas and interstate migrants are still pouring in and significant State infrastructure projects are continuing to support activity.

“A significant apartment pipeline is still to be completed and housing markets in regional Victoria are performing especially well. Dwelling prices have almost returned to previous peaks. Lending finance figures and land sales are also moving in the right direction.

“Combined with recent stimulus – interest rate cuts, tax cuts, first home buyer incentives – we are looking at a soft landing where construction rates return to levels more consistent with demographic demand.

“The risk to this outlook is global. The effects of trade and tourism restrictions with China pose a material downside risk to our forecasts. As these effects are still emerging we have not factored them into our forecasts.

“There are policy options – especially fiscal policy – to support businesses and households and contain these trade and tourism disruptions to the short term. Policymakers must be ready to deploy them as necessary,” concluded Ms Nield.

Detached dwelling commencements are forecast to cool from 36,560 in 2018/19, down by 11.0 per cent to 32,520 in 2019/20, and a further -7.7 per cent to 30,010 in 2020/21.

Multi-unit commencements have already begun a more marked decline and are forecast to decline further from 25,600 in 2018/19, down by 17.7 per cent to 21,065 in 2019/20, and a further -4.6 per cent to 20,090 in 2020/21.

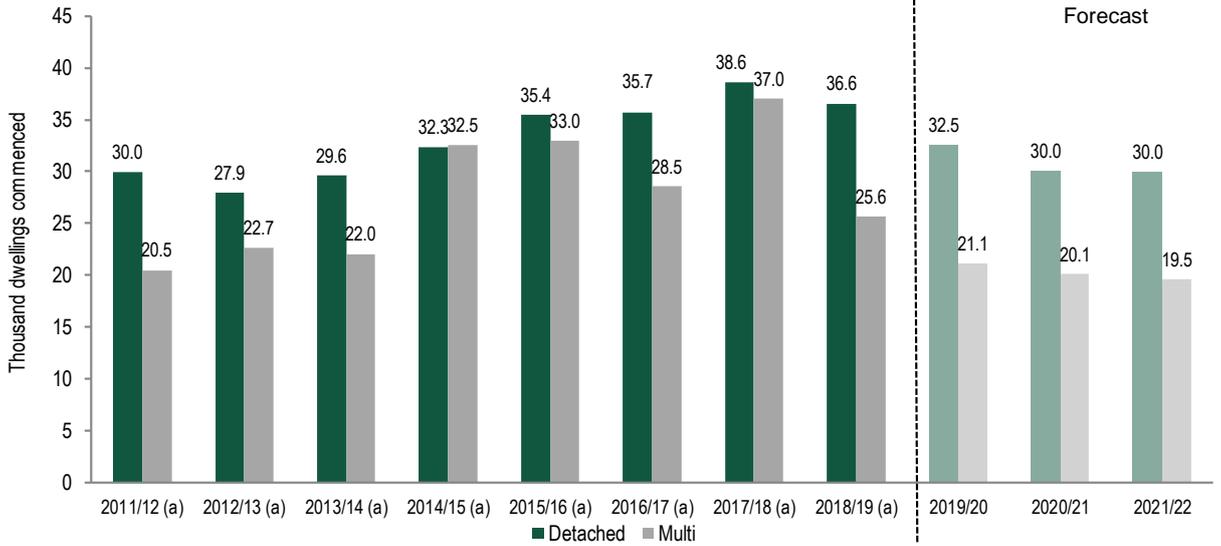




MEDIA RELEASE

## VIC Housing Starts Forecasts

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 further information or for copies of the publication (media only) please contact: Kirsten Lewis on [k.lewis@hia.com.au](mailto:k.lewis@hia.com.au)*

For further information please contact:

Fiona Nield, Executive Director  
Tom Devitt, Economist

0419 751 187  
0439 514 656