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FOR IMMEDIATE RELEASE

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MEDIA RELEASE

WA HOME BUILDING TO RECOVER IN 2020/21

Western Australia's home building sector will recover over the coming twelve months, according to a new forecast released today, said HIA WA Executive Director Cath Hart.

"HIA's new forecast shows a solid recovery for residential building starts in WA following consumer stimulus schemes announced by the state and federal governments," Ms Hart said.

"We now expect the September quarter to be the bottom of the prolonged downturn in residential building in WA which started in June 2014.

"This updated outlook is great for home building, job creation and the broader WA economy.

"After six of the toughest years on record, there were signs of recovery in early 2020 when we were expecting to build nearly 20,000 homes but this was slashed to fewer than 10,000 new dwellings when COVID-19 struck, as a result of low international migration and rising unemployment.

"That slump in activity put thousands of livelihoods at risk and, given construction is such a big employer, would have also been a drag on WA's economic recovery.

"We now expect 15,950 dwelling starts in Western Australia in 2020/21 following the announcement of WA's Building Bonus and the federal Home Builder scheme, plans to cut red tape in building approvals and the campaign to encourage interstate FIFO workers and their families to permanently settle here.

"These measures, plus the unique features of our extraordinary state position WA to come back better, emerging from the global pandemic faster than other states as an attractive destination for business investment and interstate and international migrants.

"The revised Outlook for WA home building is a 15 per cent improvement from FY19/20, when we did about 13,800 starts, as the sector regains some of the momentum that was starting before COVID-19.

"HIA is proud to have worked closely with the state and federal Government to advise on the conditions industry faced as a result of COVID-19, and to outline options to support jobs and businesses in residential building.

"We're already seeing the positive impact of the Building Bonus on jobs and activity, with the larger builders advising they expect all staff to have returned to pre-COVID hours by the end of June.

"According to our latest industry-wide survey of WA's residential builders, news of the Building Bonus sparked a 132% increase in the number of groups visiting display homes, and a 73% increase in the number of qualified customer leads from just a week earlier.

"Importantly, the same data also revealed a slowdown in jobs starting on site, the first sign of the trough in sales during COVID manifesting as a contraction in construction - so the assistance measures couldn't have come a moment later."

HIA's a subscriber-only State Outlook publications 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.

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