

# MEDIA RELEASE



18 February 2021

## 2021 to be a Record Year for Detached Home Building

“It is anticipated that almost 130,000 new detached homes will commence construction in 2021. The previous record of 120,000 starts in a calendar year was set in 2018,” stated HIA’s Chief Economist, Tim Reardon.

This forecast is contained in HIA’s economic and industry Outlook Report. The State and National Outlook Reports include updated forecasts for new home building and renovations activity for Australia and each of the eight states and territories.

“HomeBuilder has delivered. All leading indicators show a record volume of detached homes about to commence construction and this is occurring in almost every location across Australia.

“This has not only secured the employment of the 500,000 people employed in detached home construction, it will also absorb tens of thousands of workers from across the rest of the economy.

“The extension of HomeBuilder in November is the primary cause of this significant upgrade in our forecast but the demographic shifts are also driving demand for detached homes.

“Regional locations in many states are showing a larger increase in activity than capital cities as the population moves away from inner city living.

“The strong conditions for detached homes are in stark contrast to the outlook for multi-units, which will continue to cool. The loss of overseas migration hit the multi-unit sector immediately and the number of new unit starts is falling rapidly. The population shock is yet to flow through to detached.

“The constraint on building more than 130,000 detached homes this year will be the availability of residential land. Land development slowed in 2020 when the restrictions were introduced and will limit the number of homes that start construction this year.

“Skilled trades will be in high demand but the slump in apartment construction will see these trades shift to detached home building. The supply chain of building products will be stretched, but many building components are manufactured in Australia including cement, bricks, plasterboard and timber.

“The increase in manufacture of these building components will also create employment.

“Demand for detached homes has been particularly strong amongst first home buyers who now account for 43 per cent of new home loans.

“We expect that this demand will continue into 2022 as the significant shift in population continues and as investors return to the market.

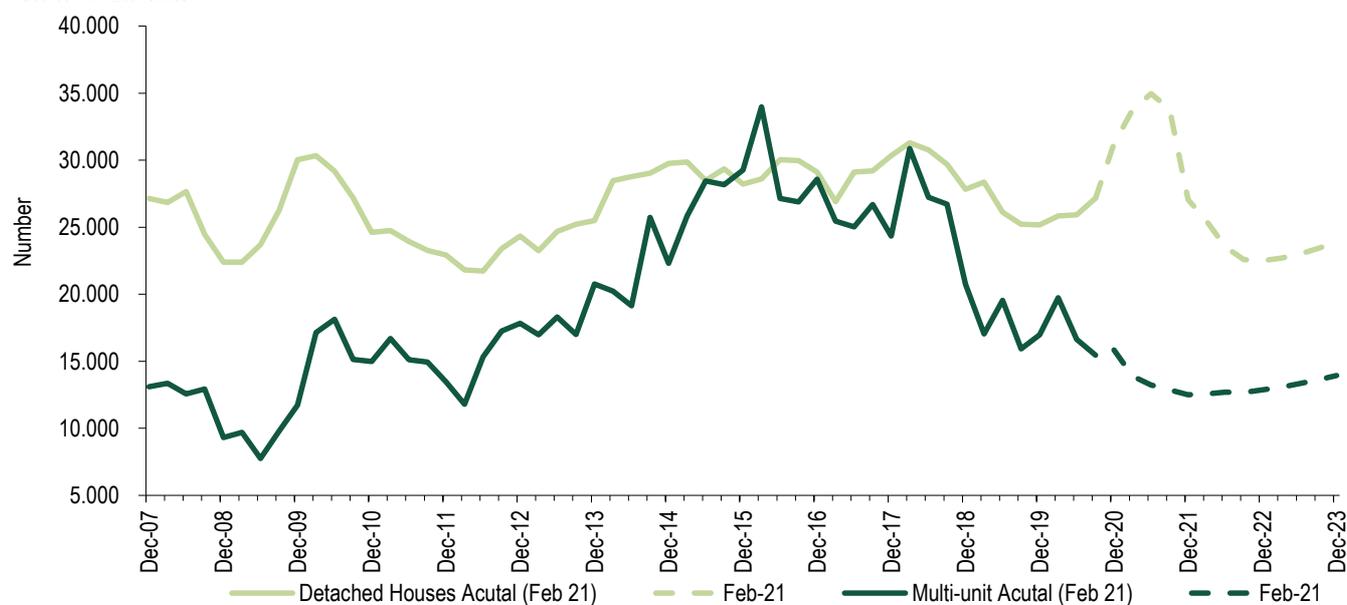
“This boom in detached home building will not continue. The record year has been facilitated by HomeBuilder, low interest rates and a significant shift in population. We anticipate that all of these trends will move against home building in 2023 along with the impact of the loss of overseas migration,” concluded Mr Reardon.

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## HIA Forecast - Australia

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)*

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