

MEDIA RELEASE



14 July 2021

Record number of detached starts in the March quarter

“The number of new houses that commenced construction in the March 2021 quarter was more than 40 per cent higher than the same time last year,” stated HIA Economist, Angela Lillicrap.

The ABS today released building activity data for the March 2021 quarter. Detached house commencements increased by 40.6 per cent compared to the March 2020 quarter, while starts for other dwelling types (predominantly apartments) declined by 22.8 per cent.

“This record volume of home building is not unexpected and is supporting employment across the economy,” added Ms Lillicrap.

“Compared to the beginning of 2020 when work entering the construction pipeline was slowing, builders are now facing a different set of challenges including labour and material shortages.

“These constraints are expected to ease going into 2022 as the number of new houses commencing construction slows.

“There is a stark divergence between the detached and multi-unit markets. Multi-unit commencements in the March quarter declined to their lowest level since June 2012.

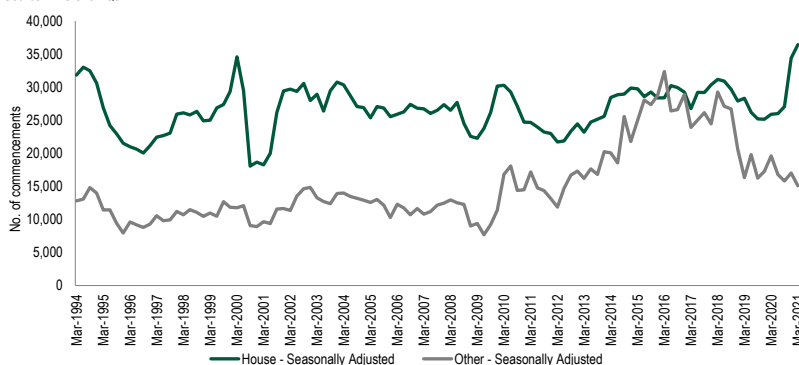
“Multi-unit commencements have fallen by almost 50 per cent since their last peak in March 2018 and are 53.4 per cent lower than their record peak in March 2016.

“The multi-unit market is expected to remain constrained until there is greater certainty surrounding the return of overseas migration.

“With this contrasting market conditions between detached and multi-unit construction, the combined number of new homes that commenced construction in March 2021 was just 13.1 per cent above the previous year,” concluded Ms Lillicrap.

Western Australia has seen the largest increase in detached commencements, up by 136.0 per cent compared the same quarter last year. This was followed by South Australia (+61.7 per cent), the Northern Territory (+59.6 per cent), Tasmania (+50.7 per cent), the ACT (+50.0 per cent), New South Wales (+37.5 per cent), Queensland (+28.8 per cent) and Victoria (+14.6 per cent).

House vs 'Other' New Dwelling Commencements - Australia
Source: ABS 8752 Qtr



For further information please contact:

Angela Lillicrap, Economist
Nick Ward, Senior Economist

0404 406 567
0421 048 038