HOUSING & ECONOMIC OUTLOOK

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Stepping into 2025 with cautious optimism

Fundamentals moving in the right direction

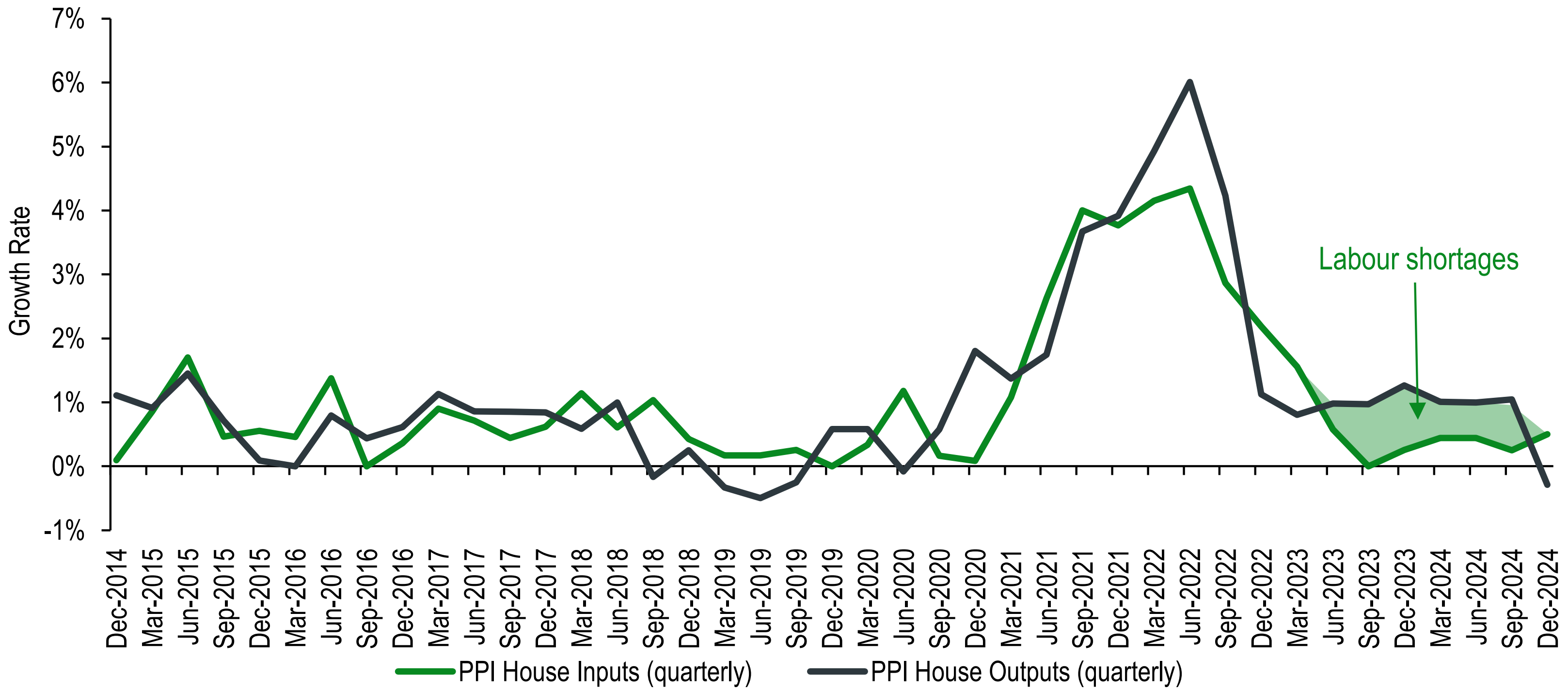
Various markets already seeing pick up in activity

Policy will determine size of next cycle

Costs stable for builders and buyers …

House Construction Price Indexes, Quarterly Growth Rates

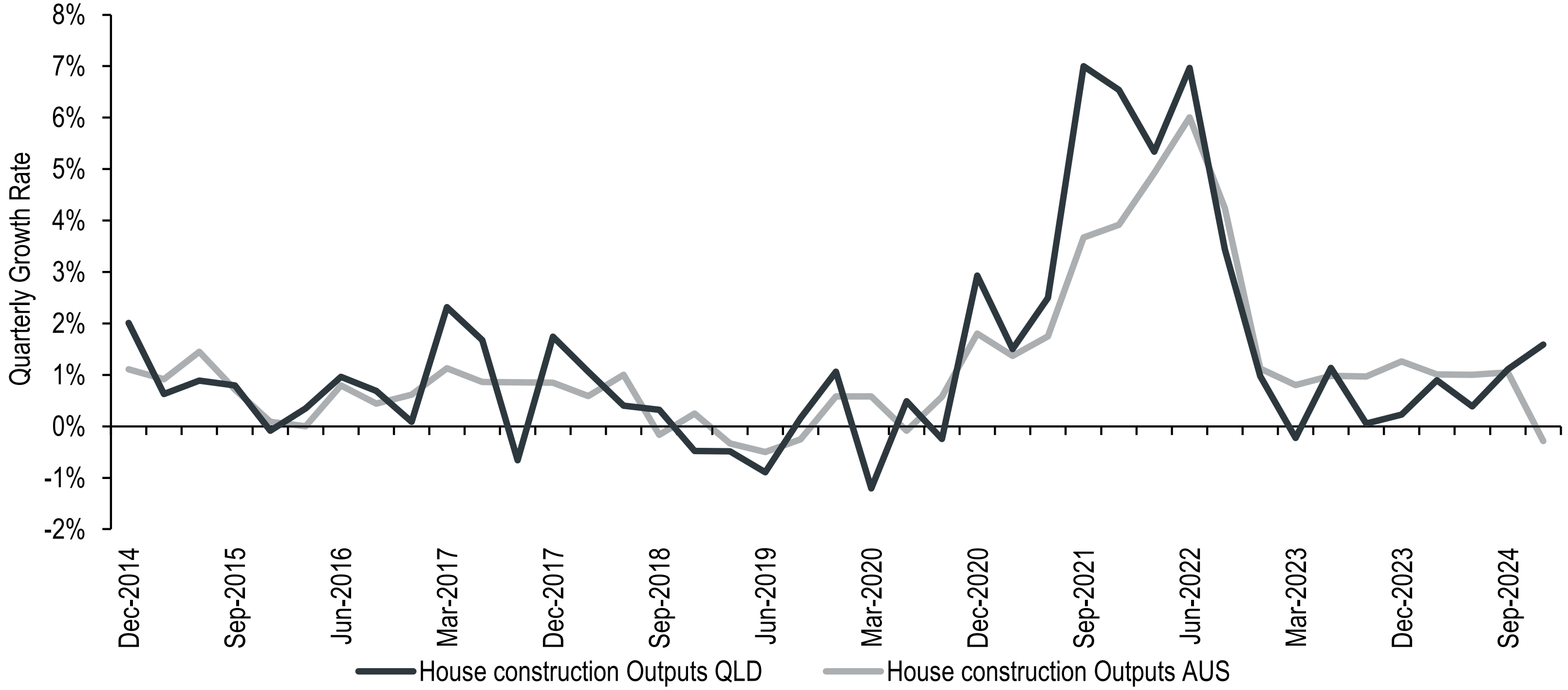
Source: ABS



… in QLD too?

House Construction Output Price Indexes, QLD vs AUS

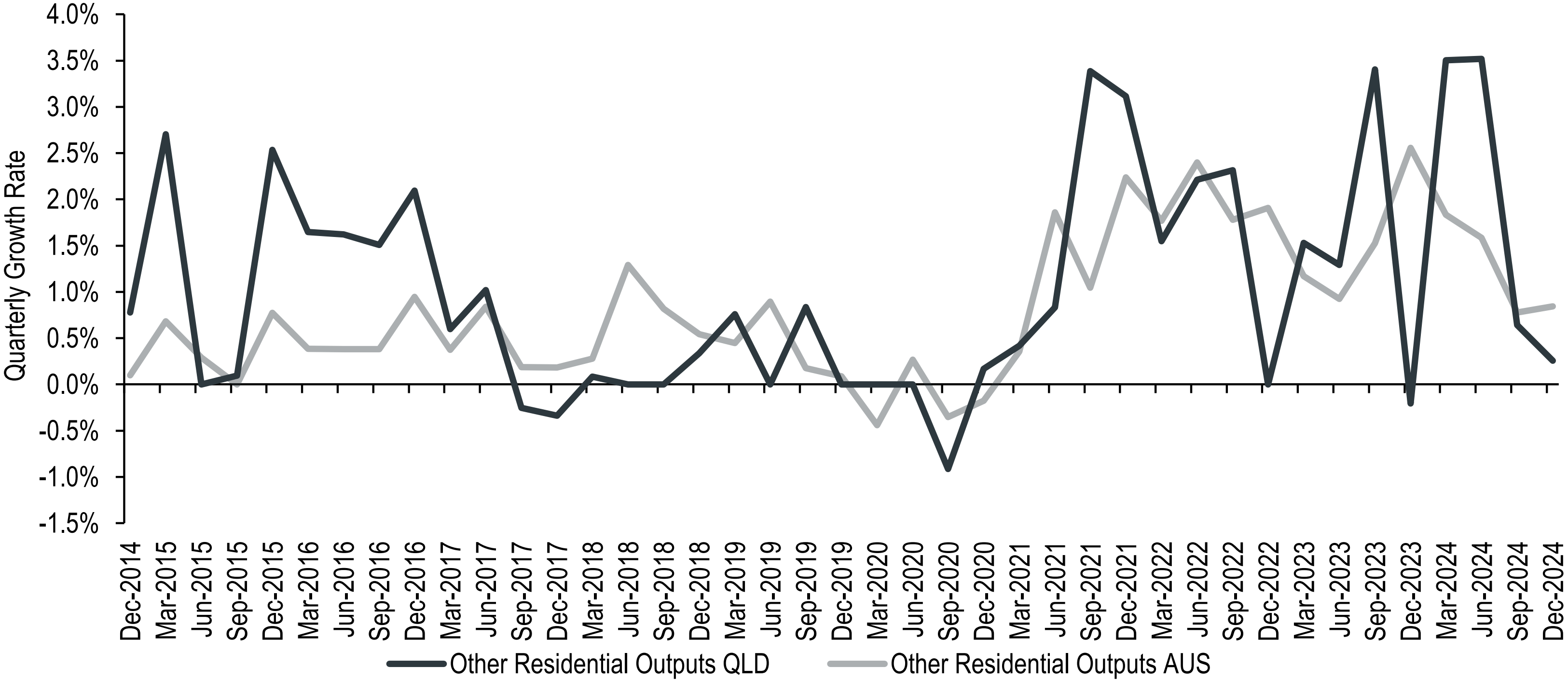
Source: ABS



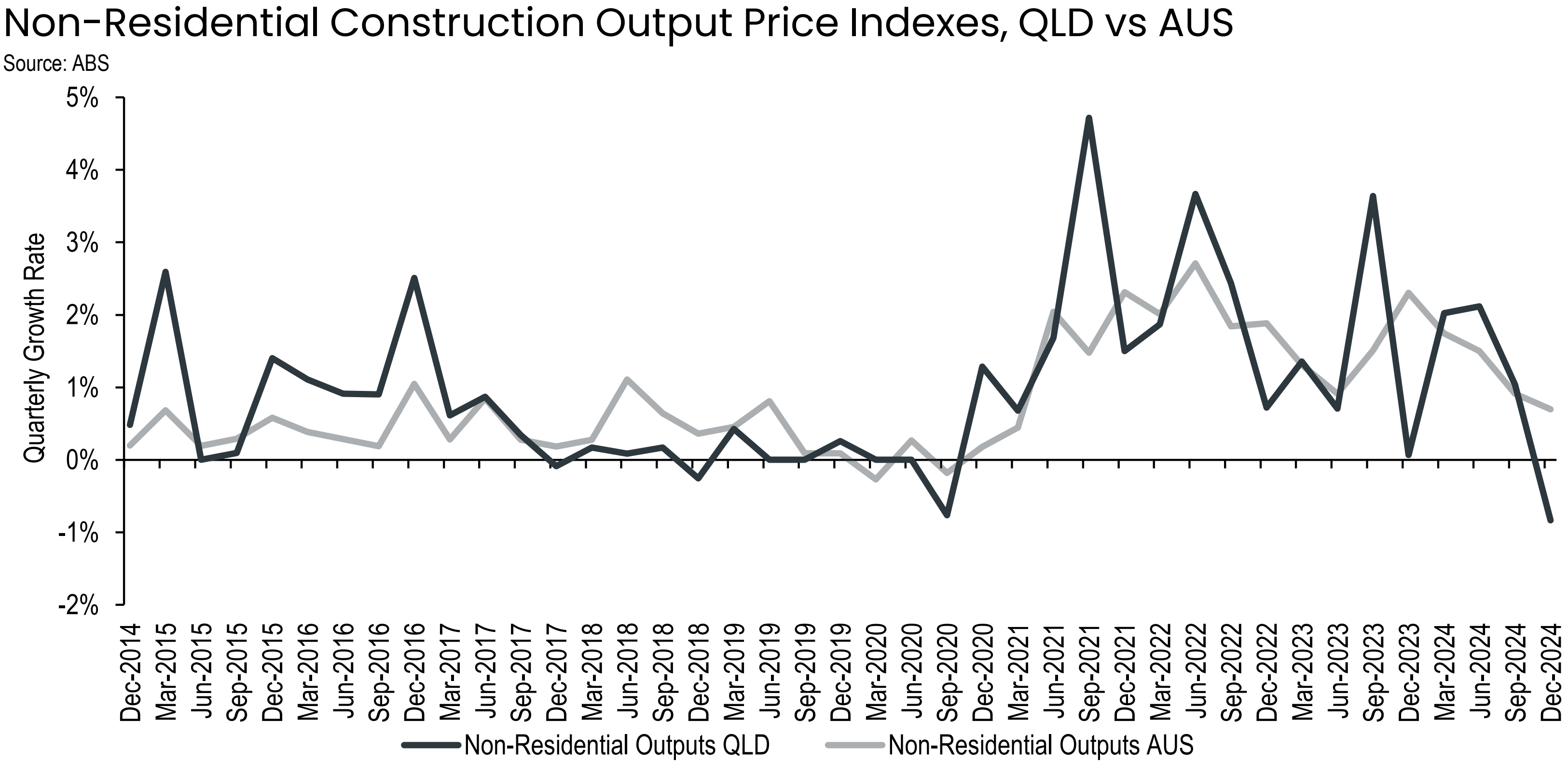
Apartment cost blowouts in QLD

Apartment Construction Output Price Indexes, QLD vs AUS

Source: ABS



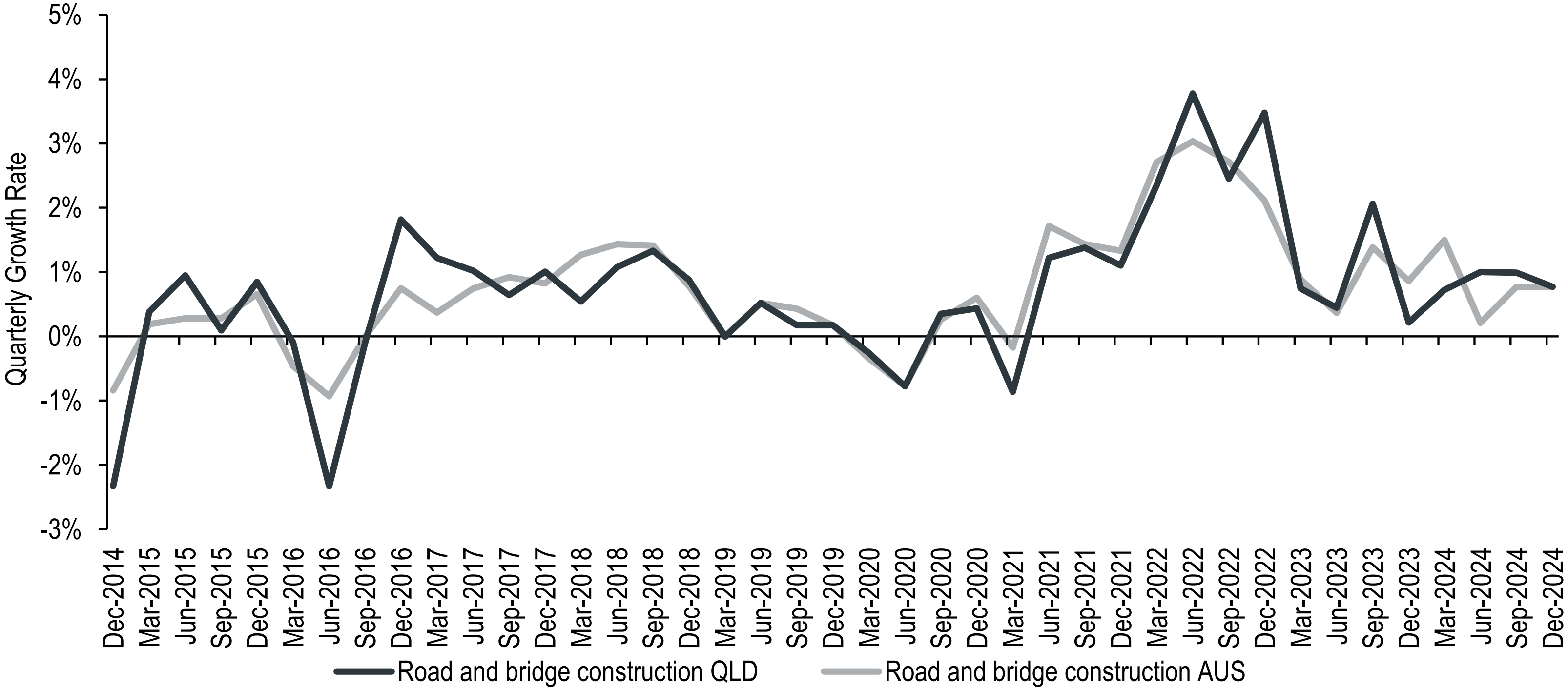
Non-residential heading in right direction?



Have govts stopped bidding up prices?

Road & Bridge Construction Output Price Indexes, QLD vs AUS

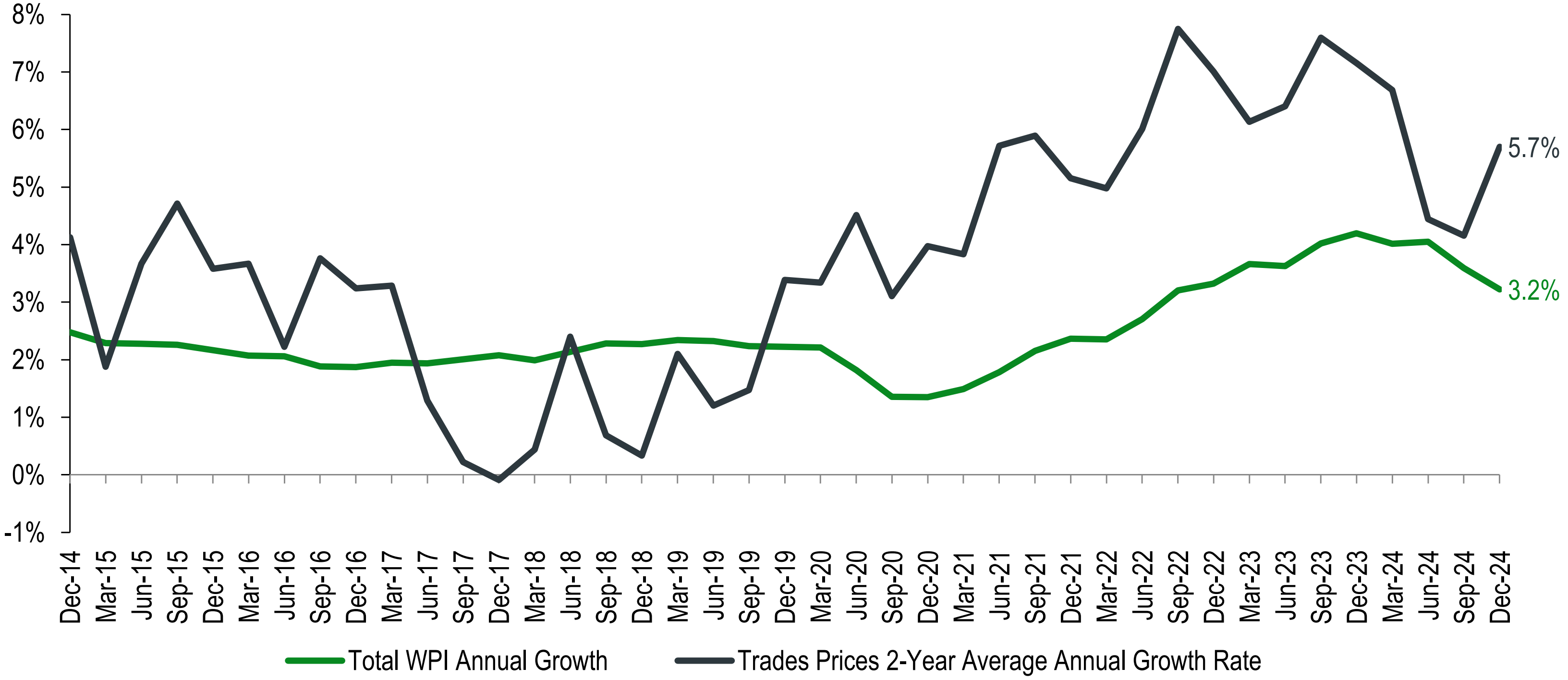
Source: ABS



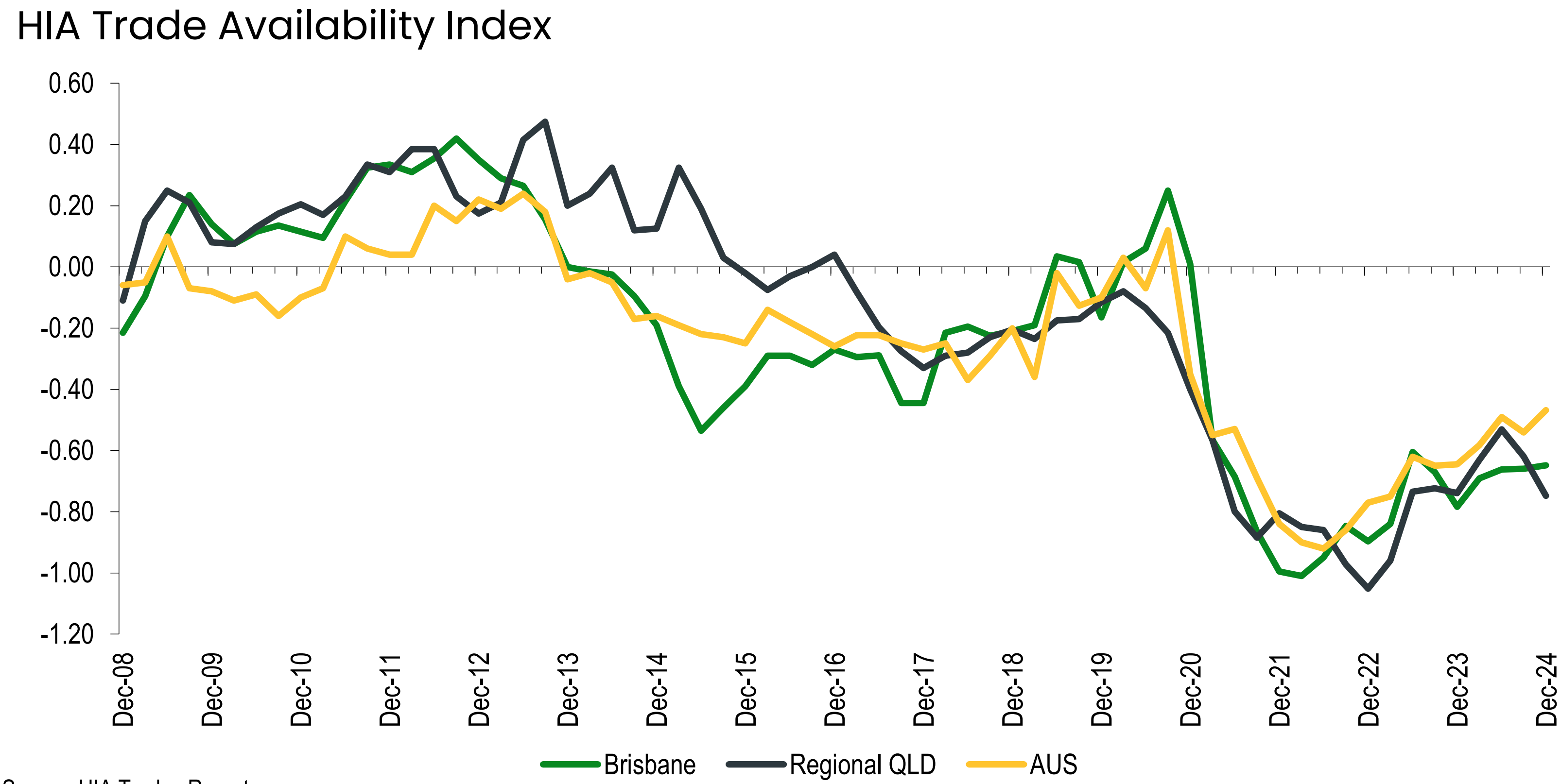
Trades prices elevated but moderating

Wage Price Index vs Trades Prices, Australia

Source: ABS



Acute trades shortages persistent but easing

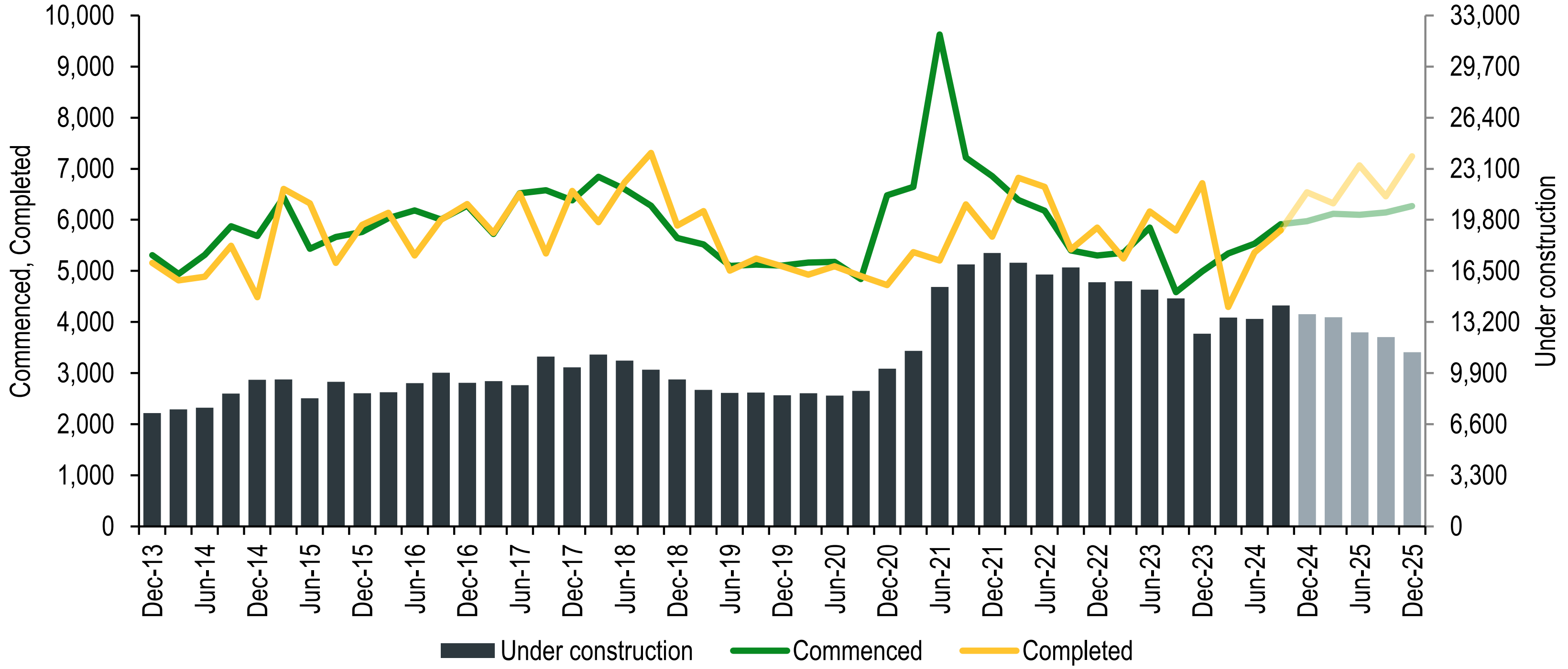


Source: HIA Trades Report

Pipeline remains

HIA Forecasts: Building Activity Pipeline - QLD Houses

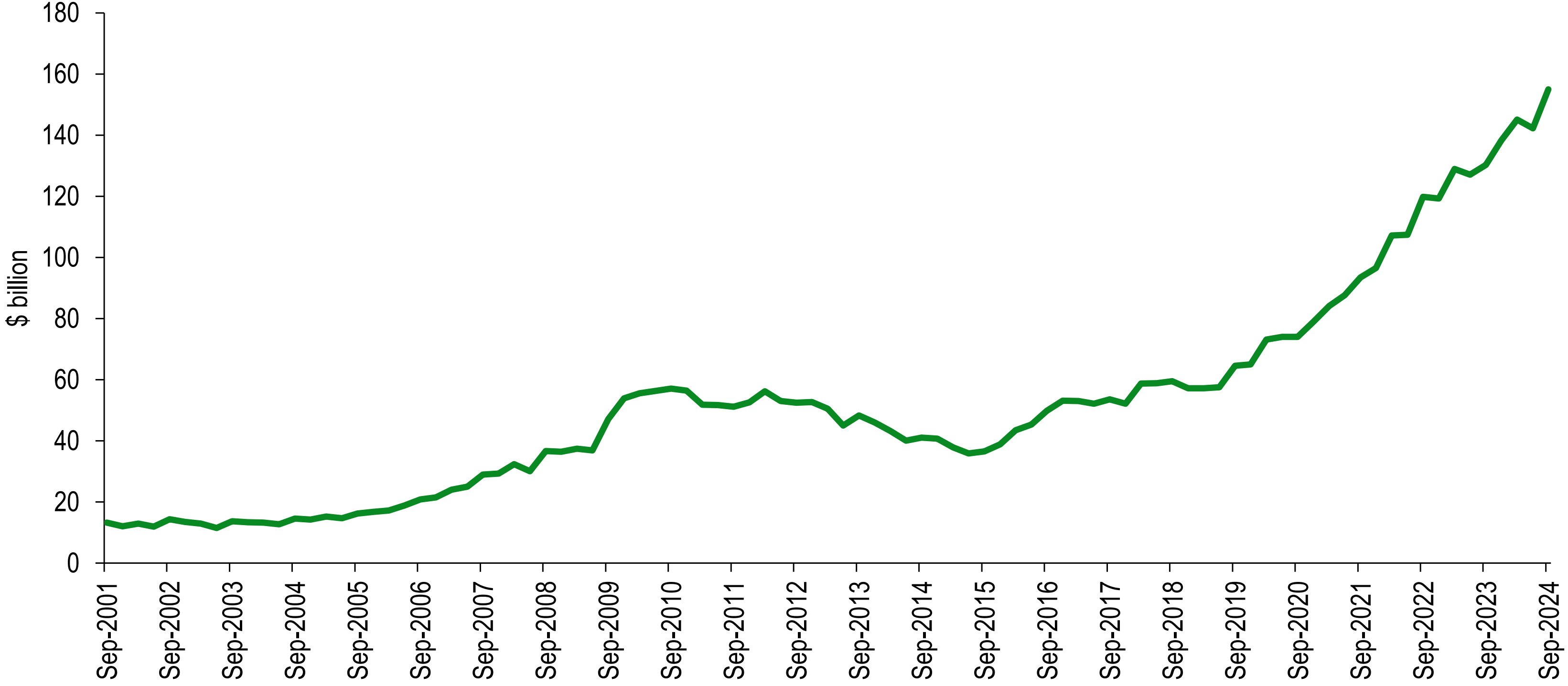
Source: HIA Economics, ABS 8752.0, ABS 8731.0



Public infrastructure pipeline ongoing

Public sector construction pipeline

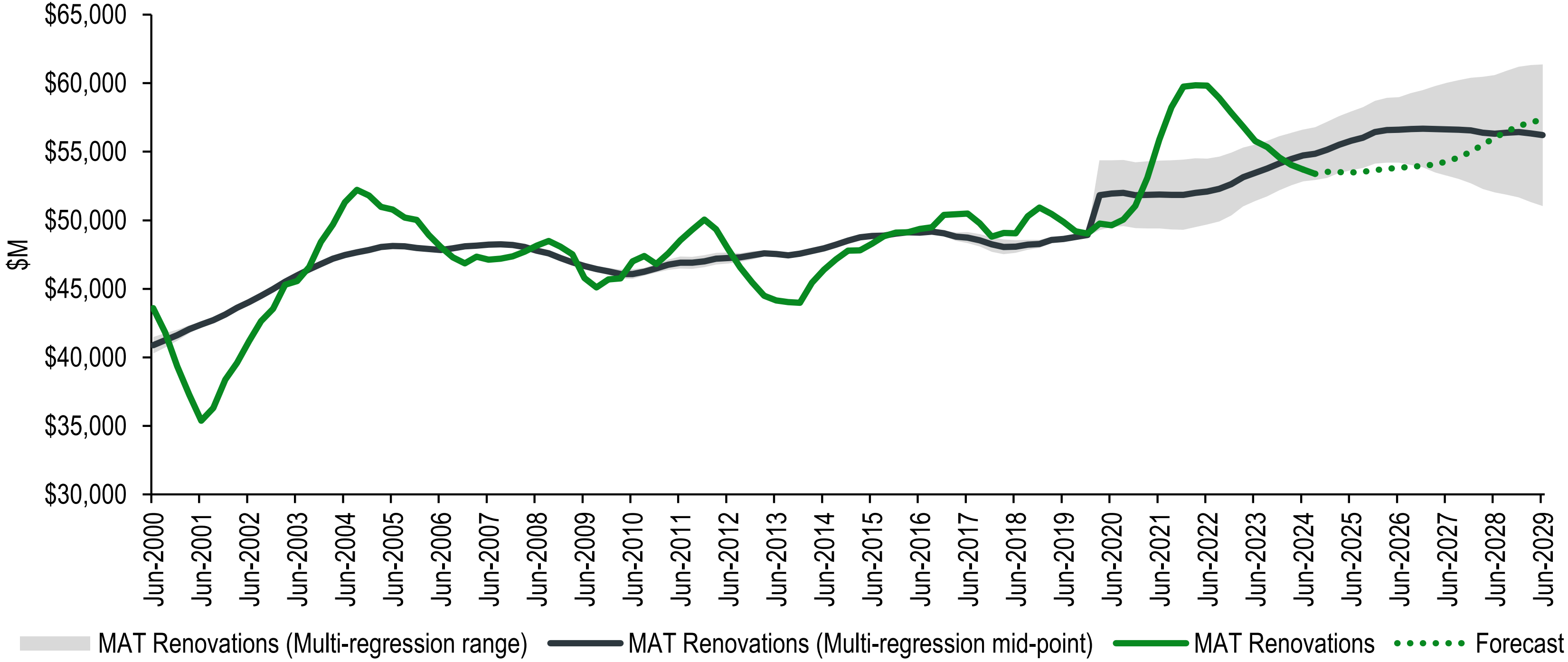
Source: ABS 8752.0, 8762.0



Renovations still underway

Renovations vs Housing Stock, Moving Annual Total, Australia

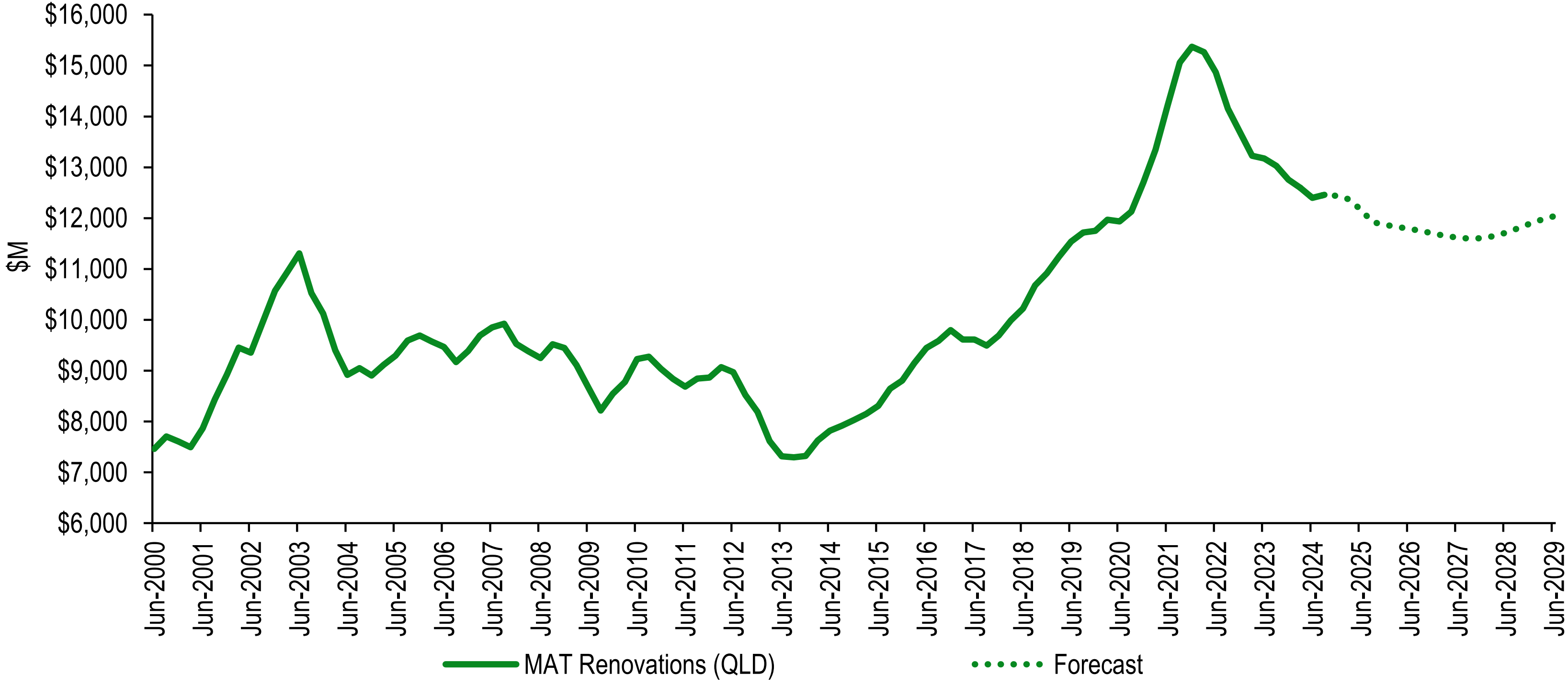
Source: ABS, HIA



QLD especially

Renovations, Moving Annual Total, QLD

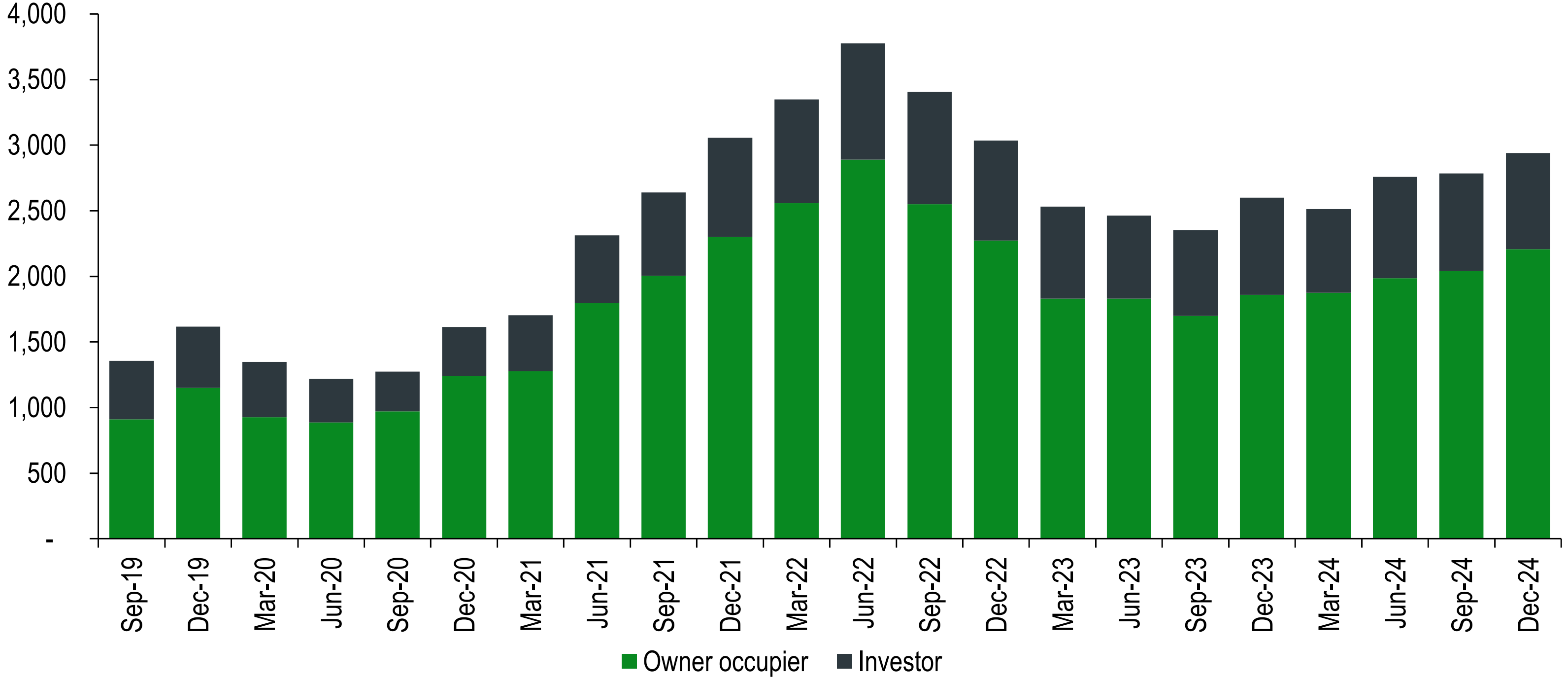
Source: ABS, HIA



Especially larger renovations projects

Number of Loans for Renovations, QLD

Source: ABS

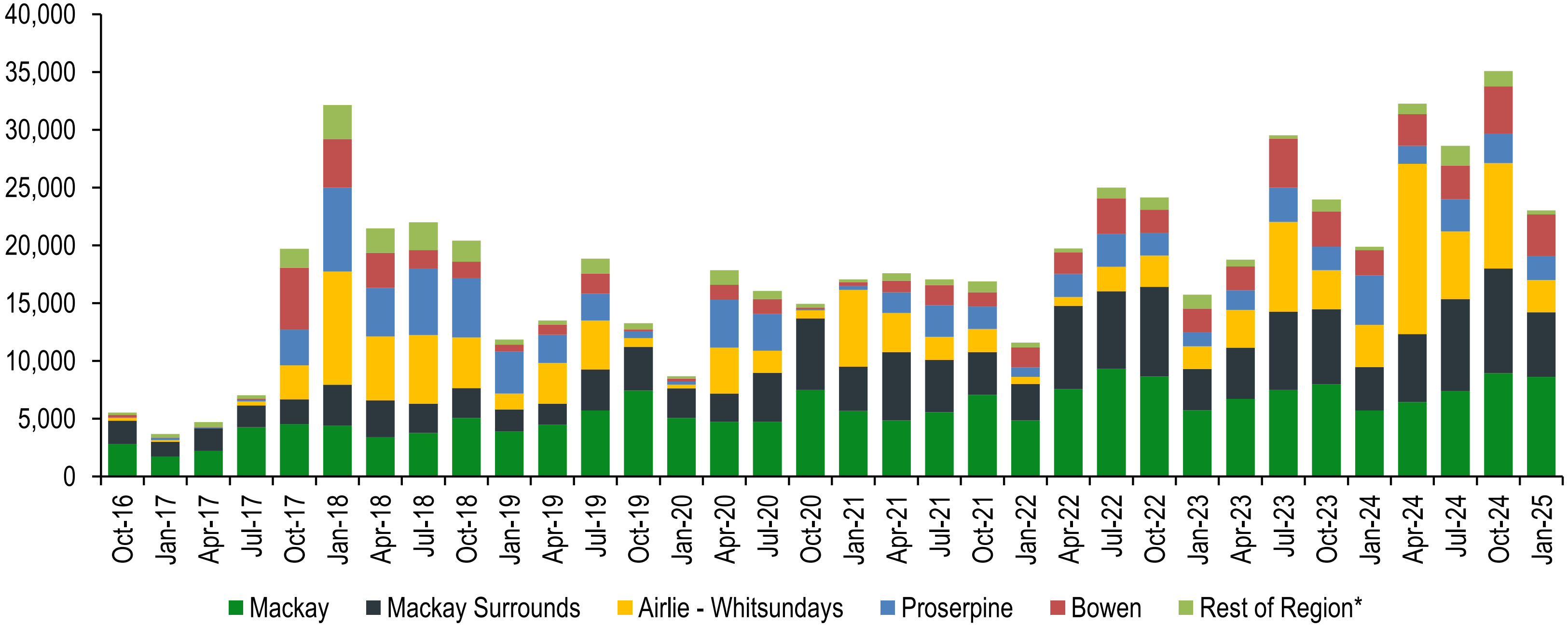


Local area too

Approvals for Renovations, Mackay - Isaac - Whitsunday, $000s

Source: ABS

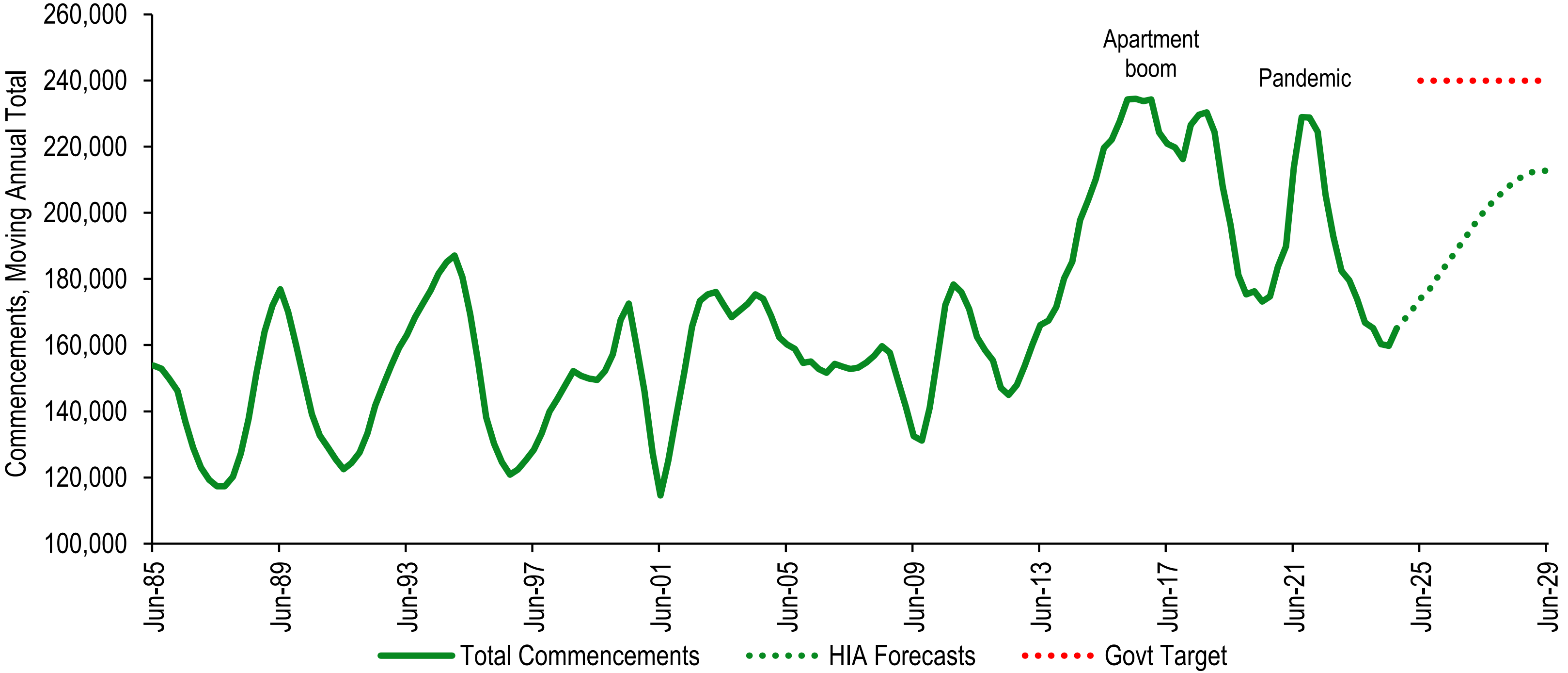
* Collinsville, Broadsound - Nebo, Moranbah, Clermont



Skilled labour is a big constraint on the outlook

1.2 million homes: Actual, Forecast and Target, MAT

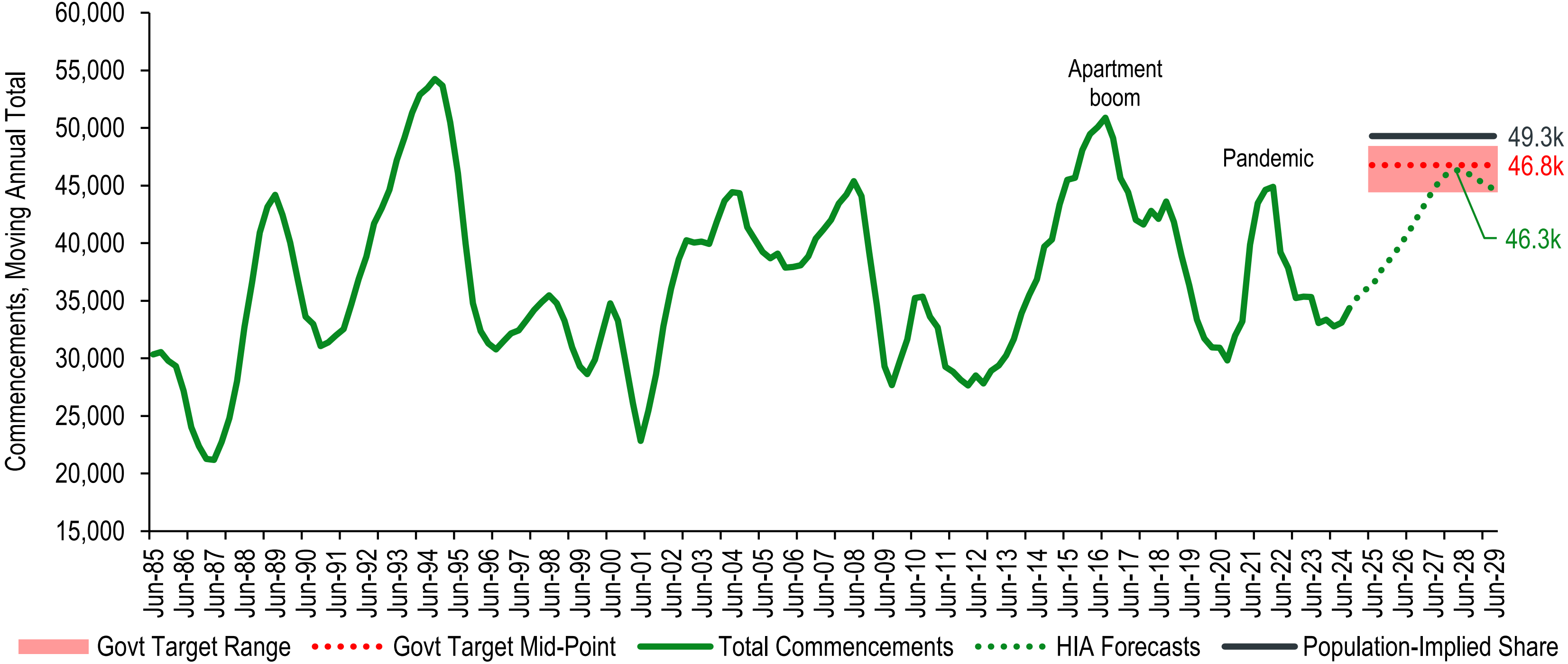
Source: HIA Economics



QLD too

1.2 million homes: QLD

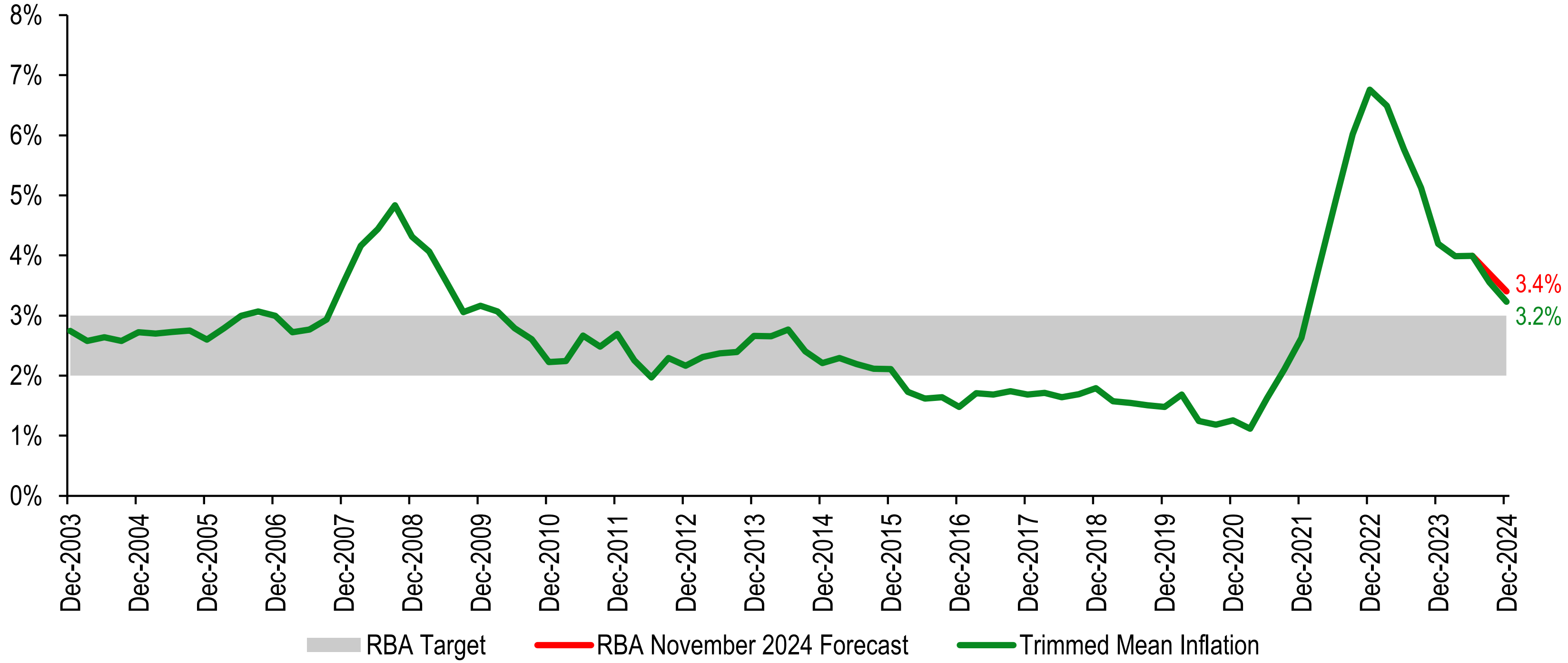
Source: HIA Economics



Welcome downside surprise on inflation

Trimmed Mean Inflation, Annual

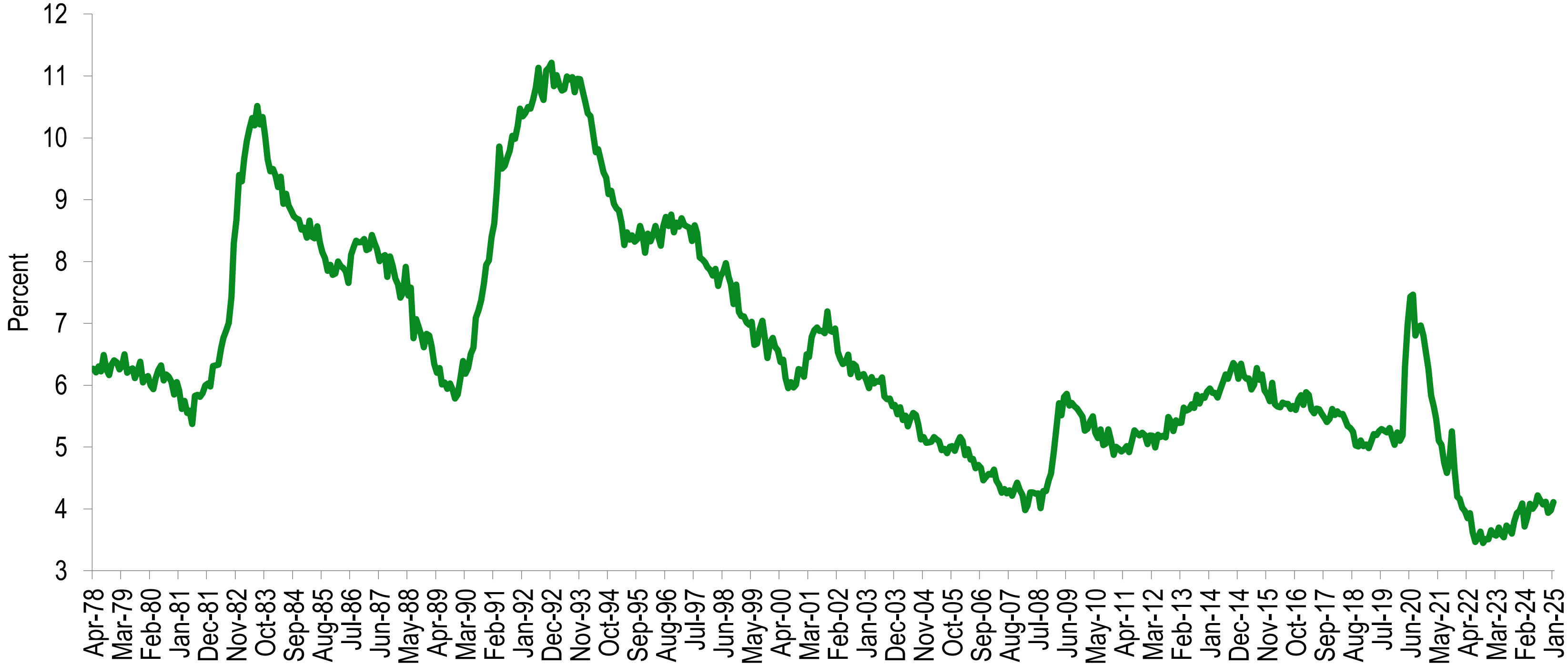
Source: ABS



Almost everyone still has a job

Unemployment Rate, AUS

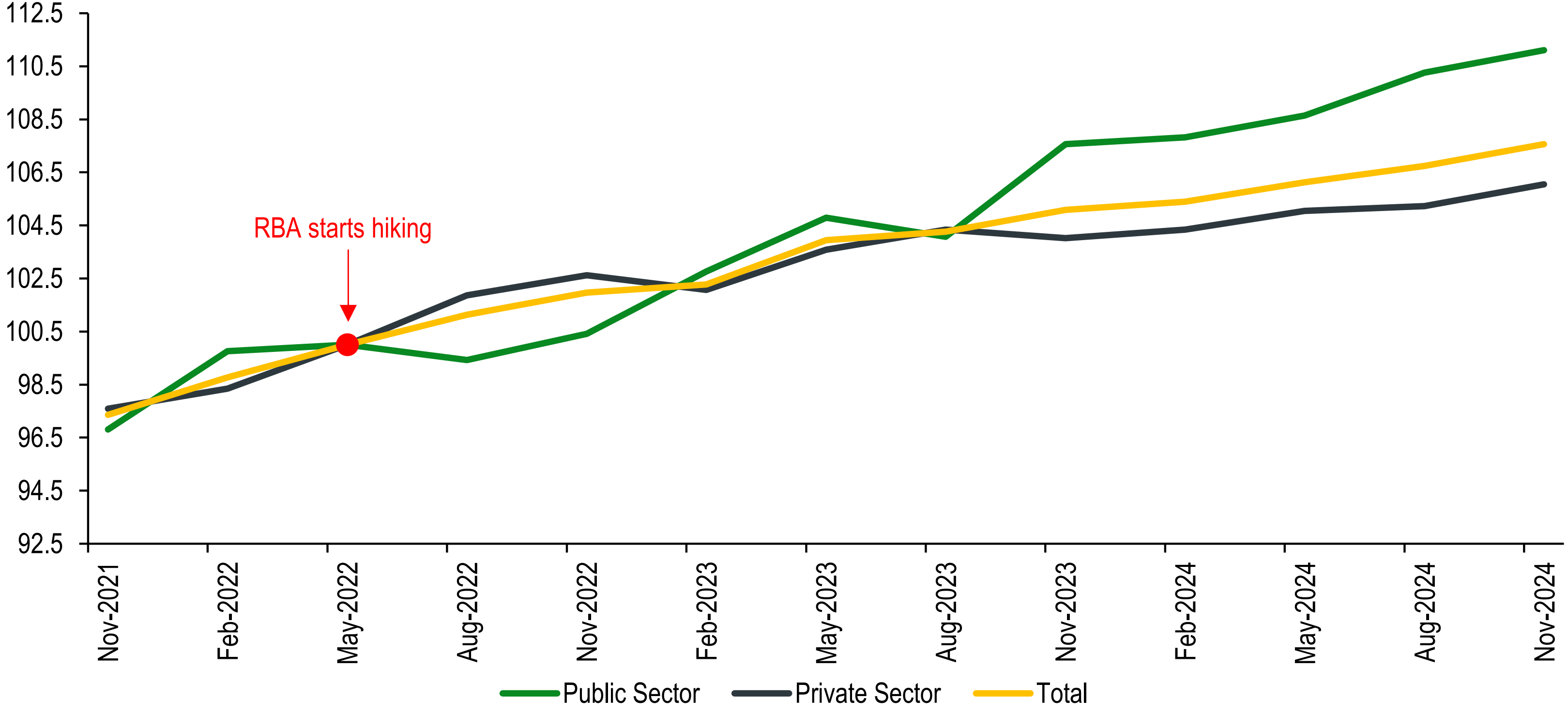
Source: ABS



Even if it's a government job

Employment by Sector, Index, Australia

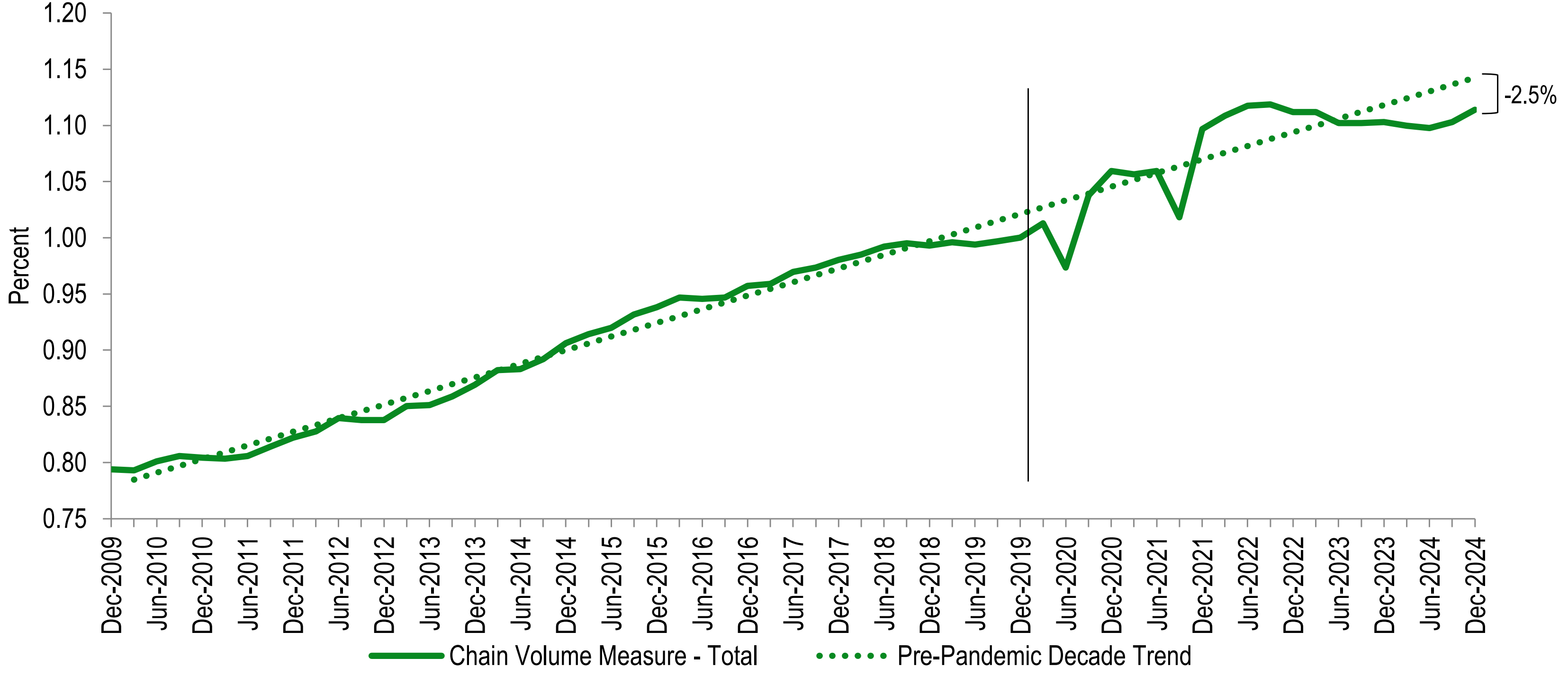
Source: ABS



Household spending picking up again

Retail Trade Volumes, AUS

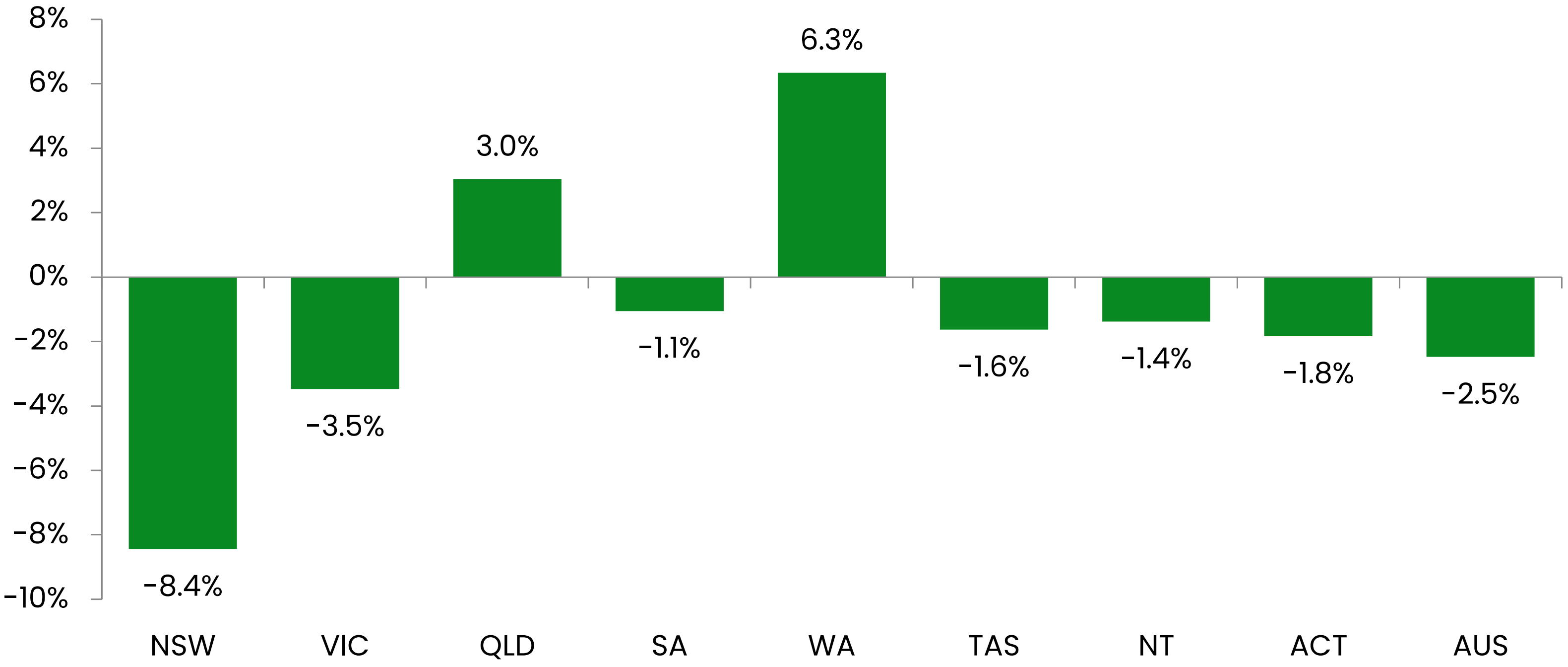
Source: ABS



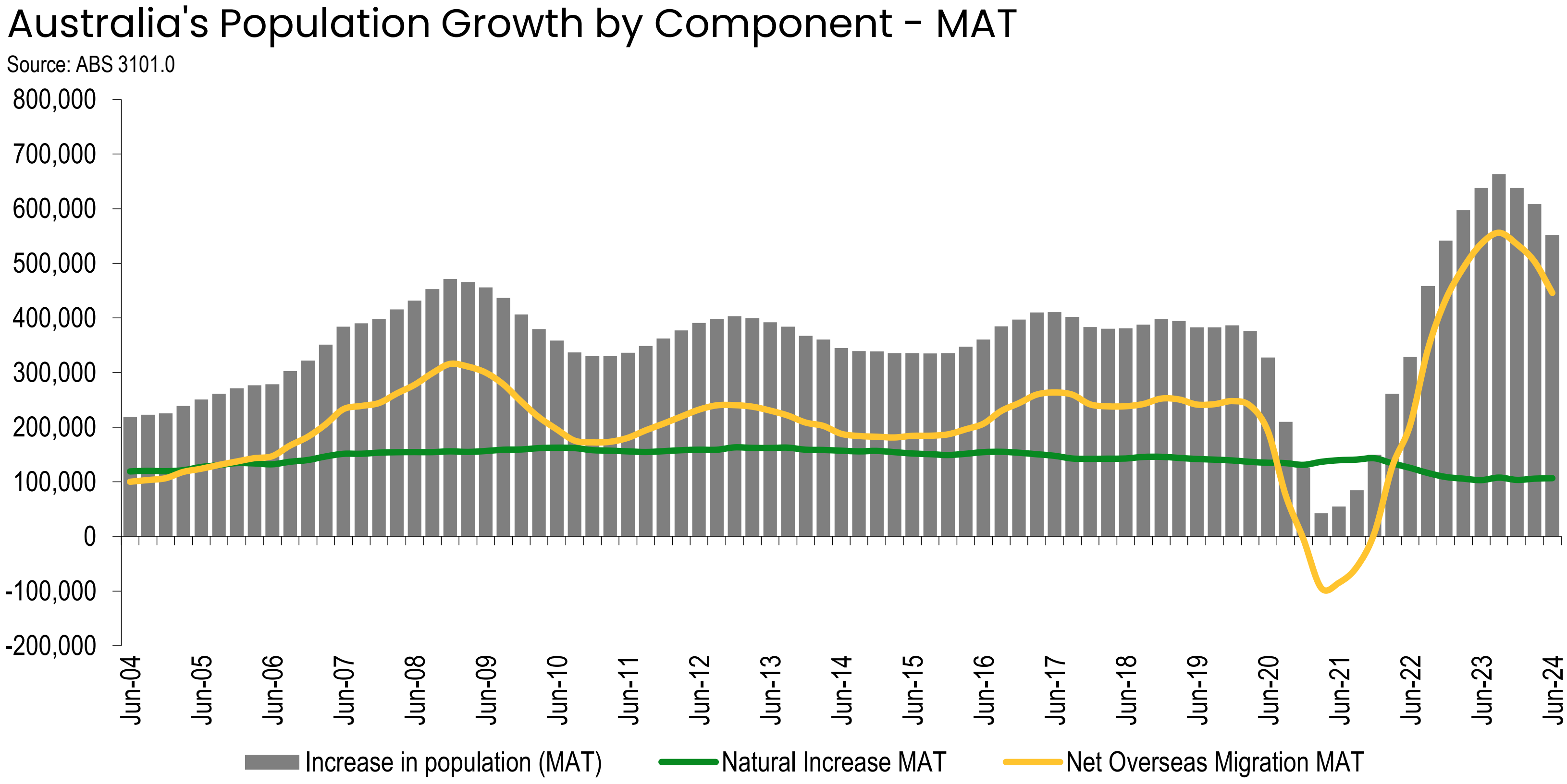
Especially WA & QLD

Retail Trade Volumes vs Pre-Pandemic Trajectory

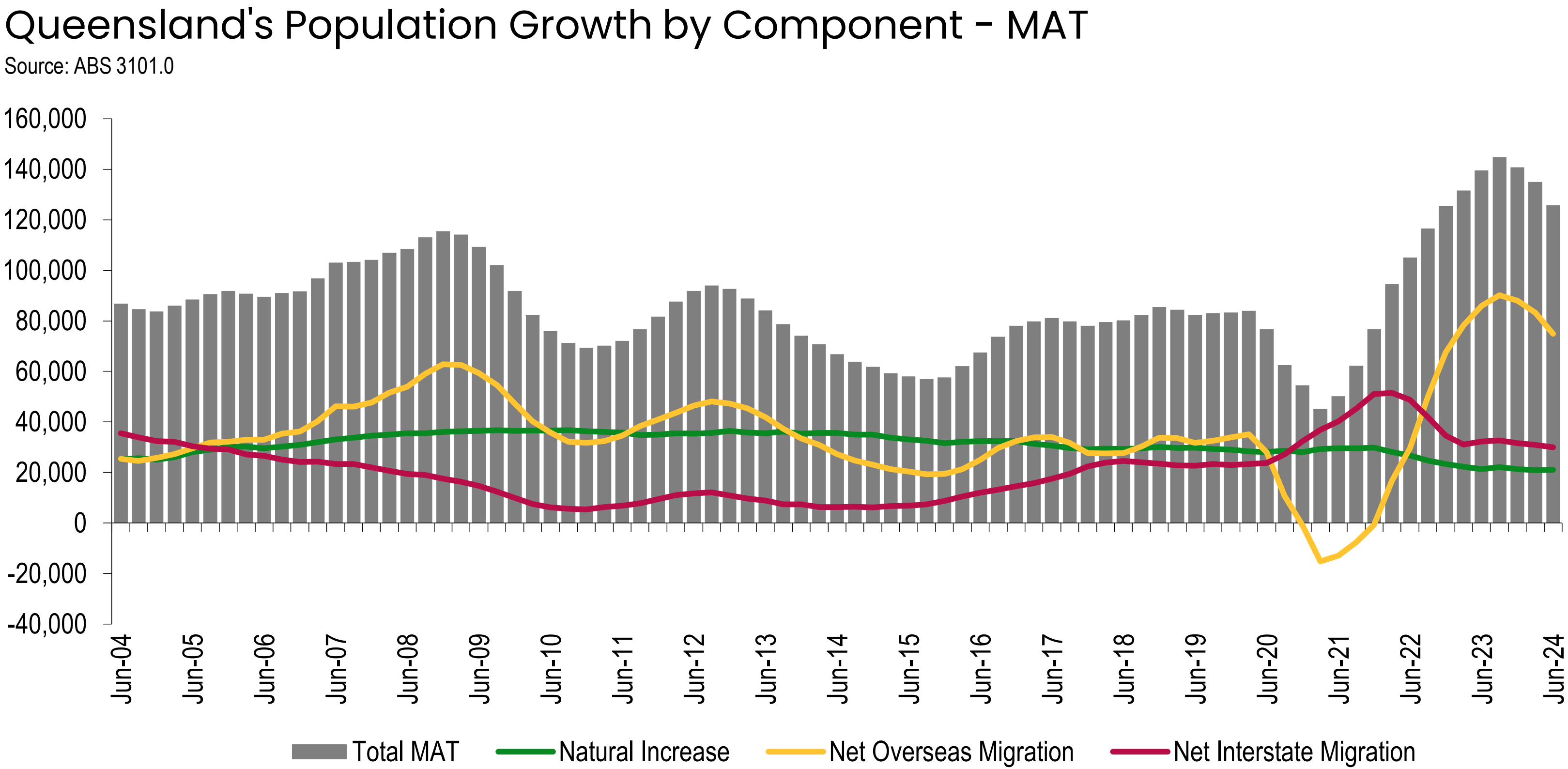
Source: ABS



Population growth easing but still strong



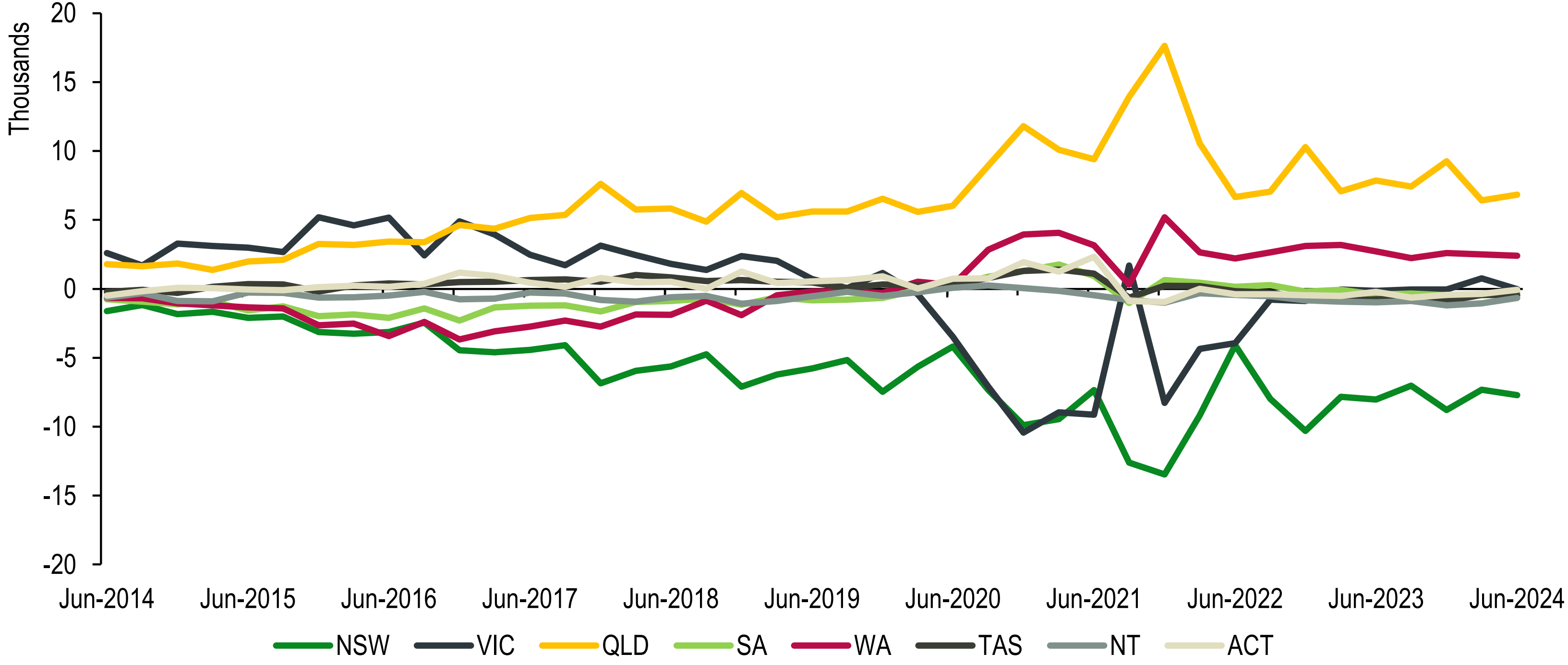
Especially QLD



Still getting NSW exodus

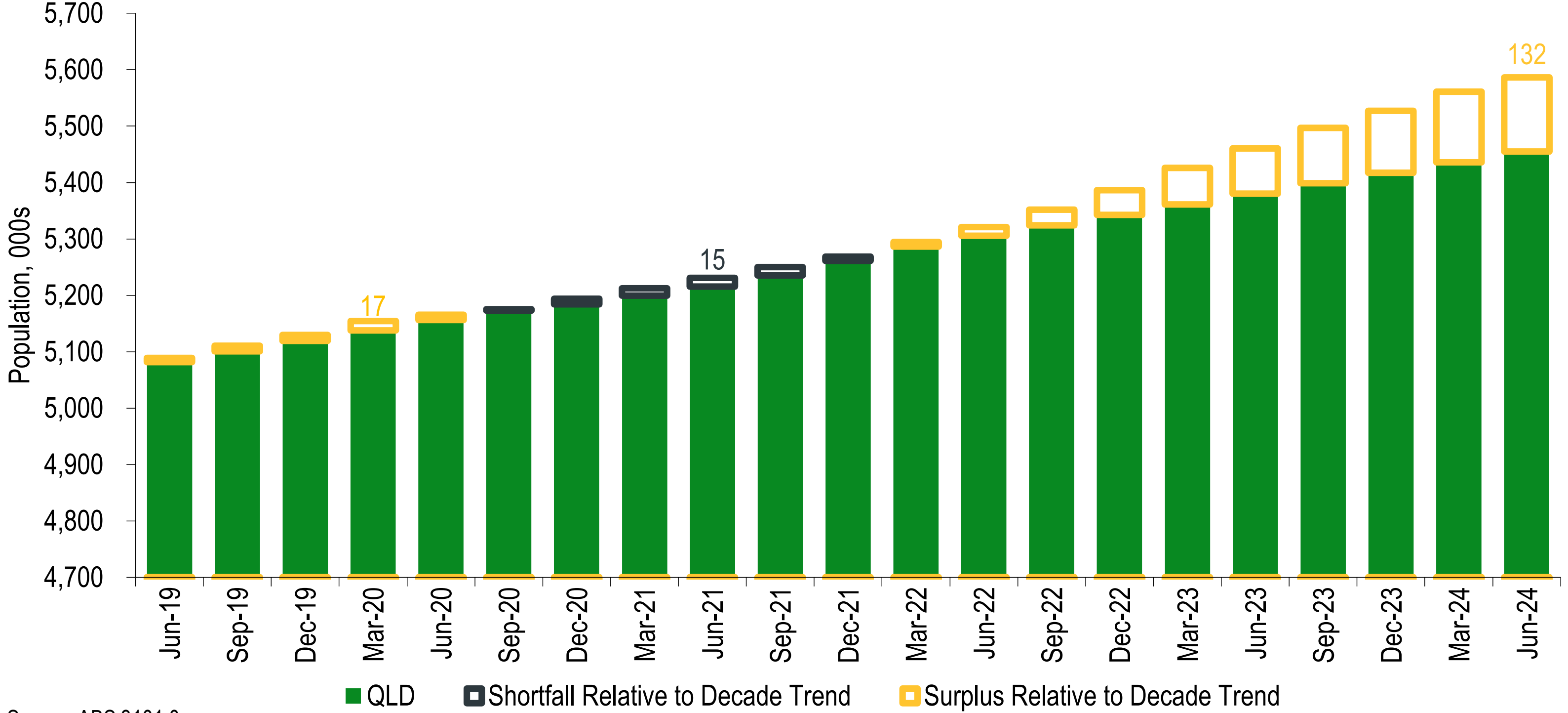
Net Interstate Migration, by State, by Quarter

Source: ABS 3101.0, HIA Economics



QLD's excess population

QLD Population Trajectory



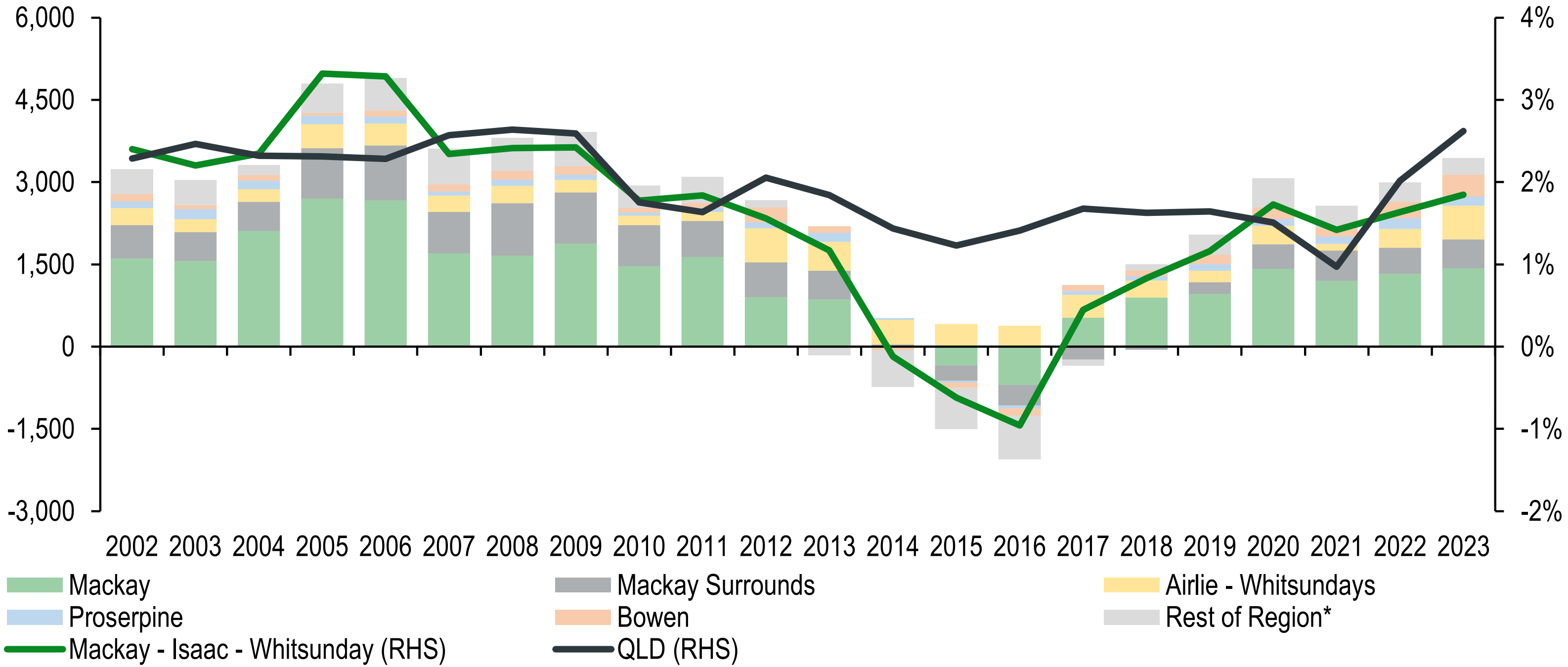
Source: ABS 3101.0

Local region

Population Growth

Source: ABS

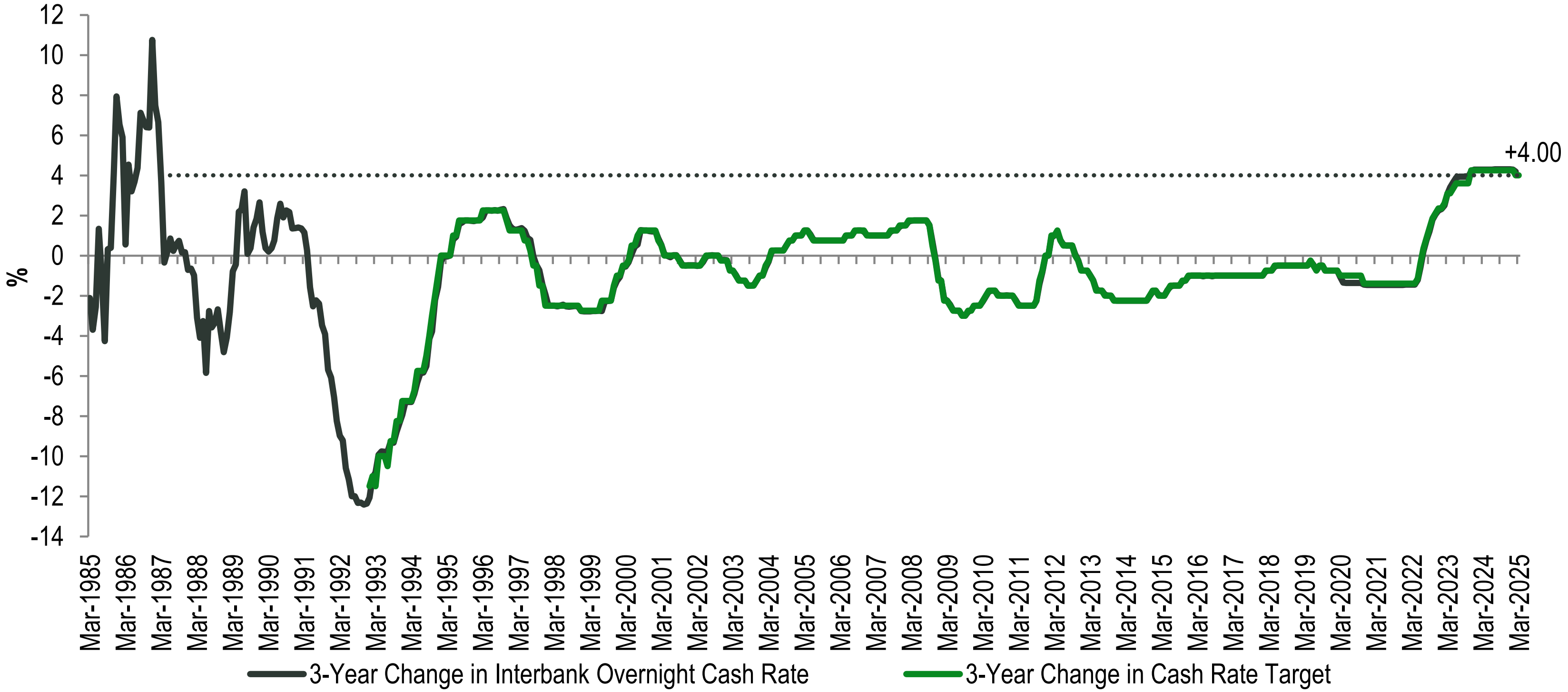
* Collinsville, Broadsound - Nebo, Moranbah, Clermont



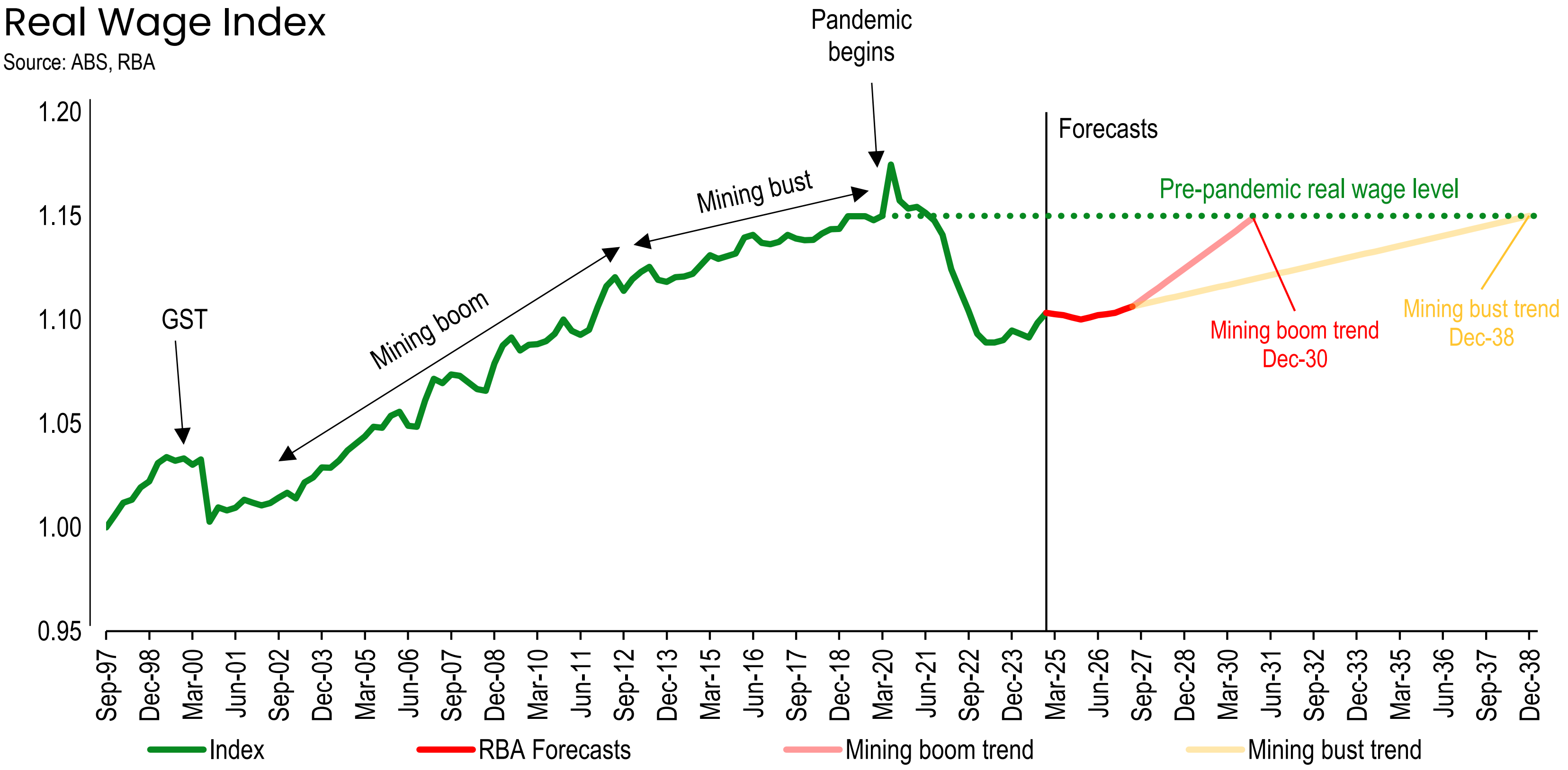
Rates stable for almost 2 years even before cut

3-Year Change in RBA Cash Rate

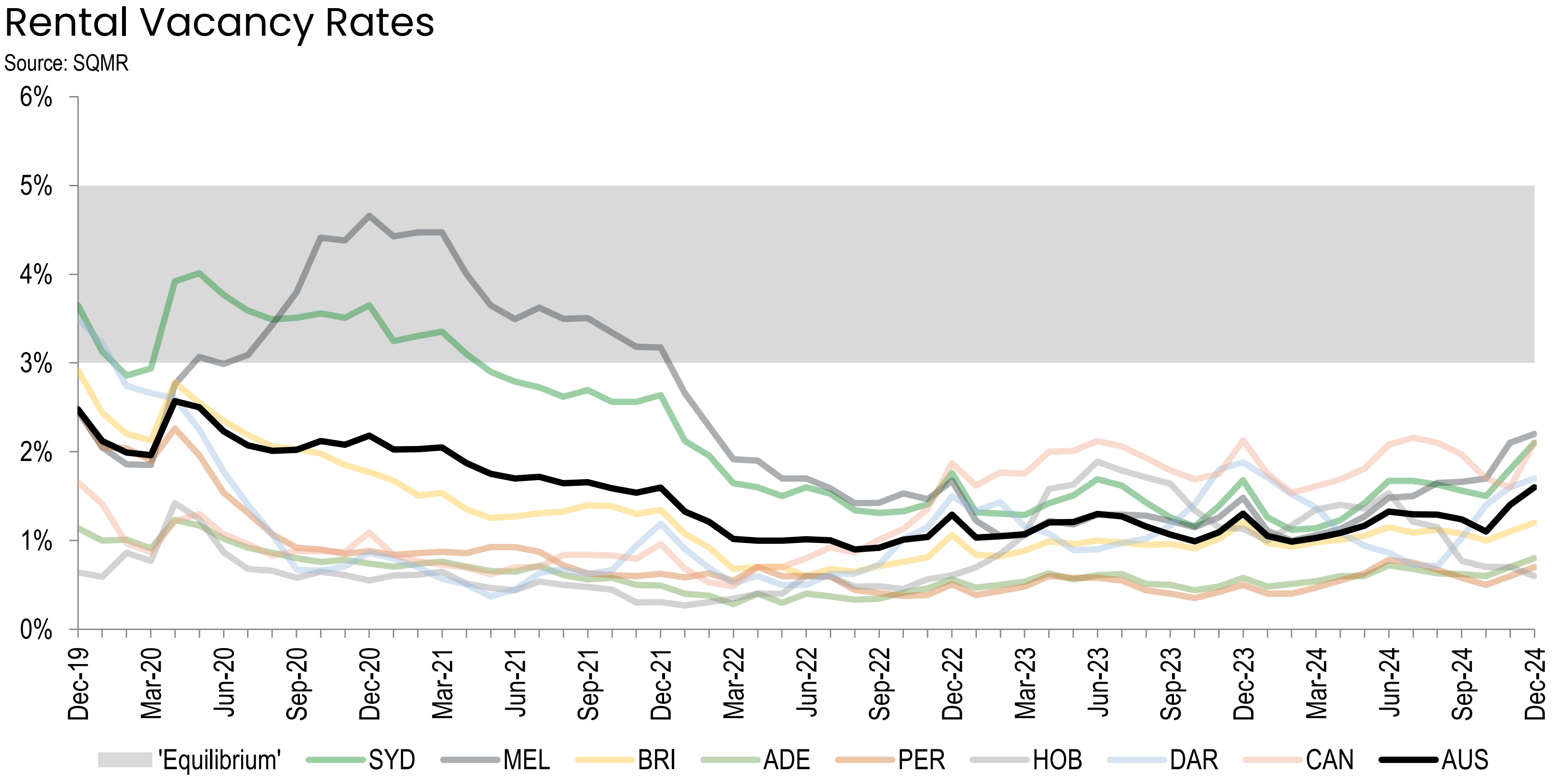
Source: RBA



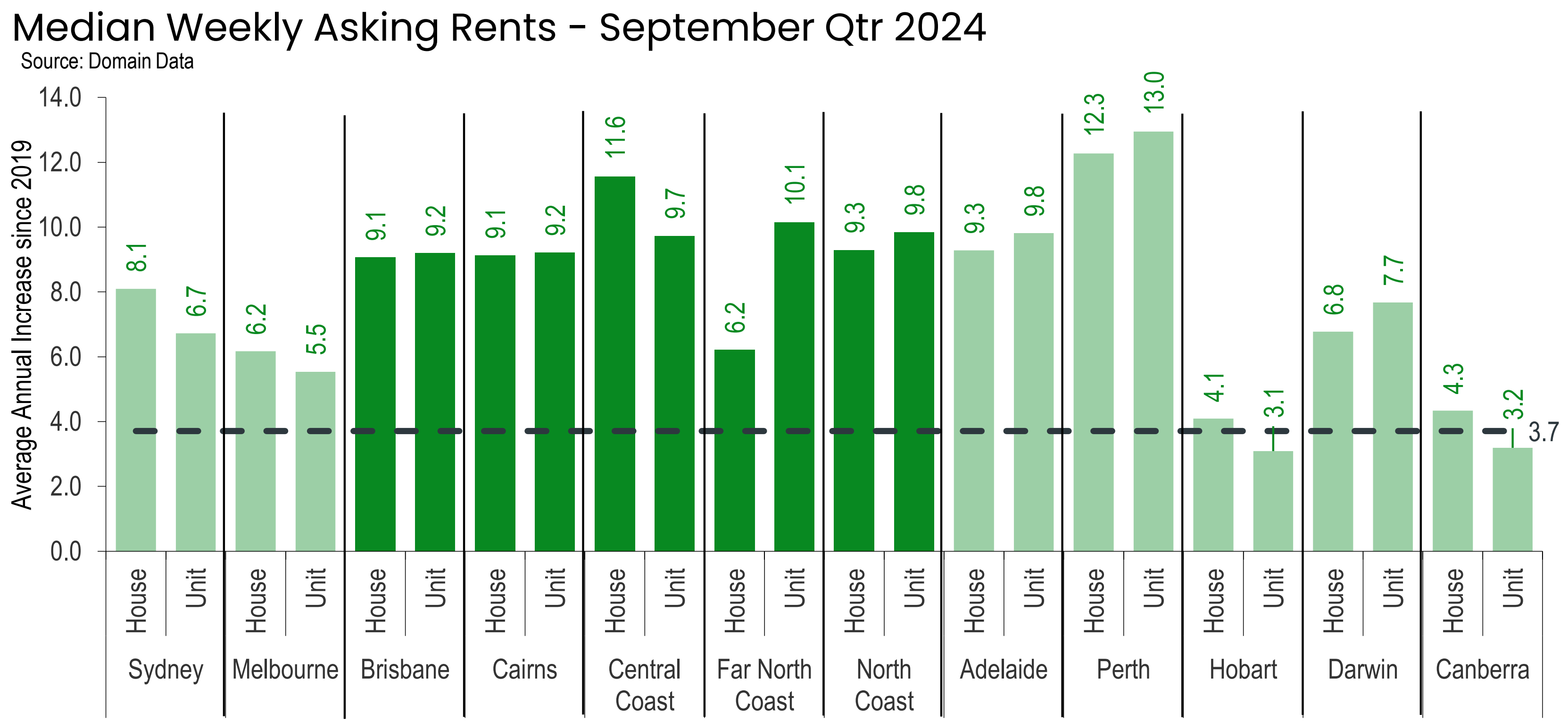
Real incomes stabilising



Acute rental shortages persisting



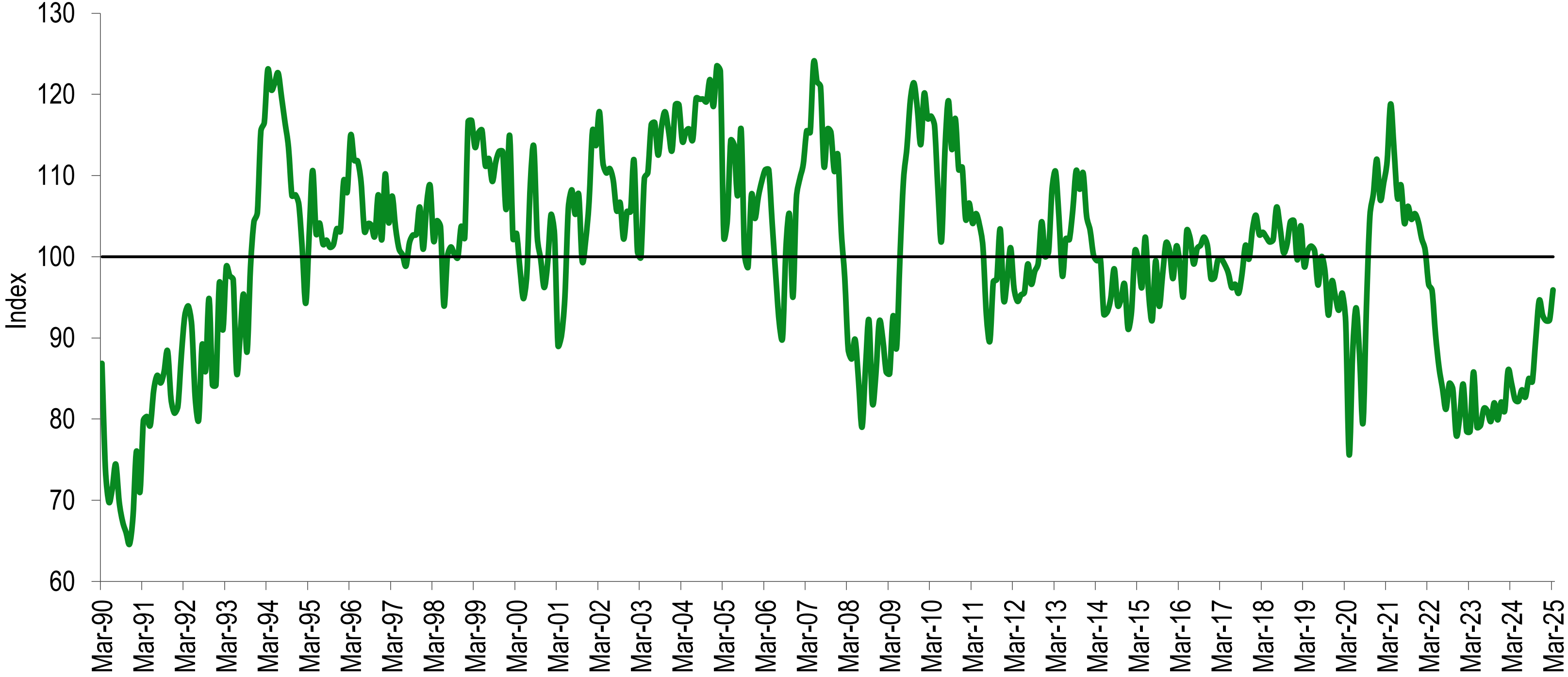
Producing strong rental price growth



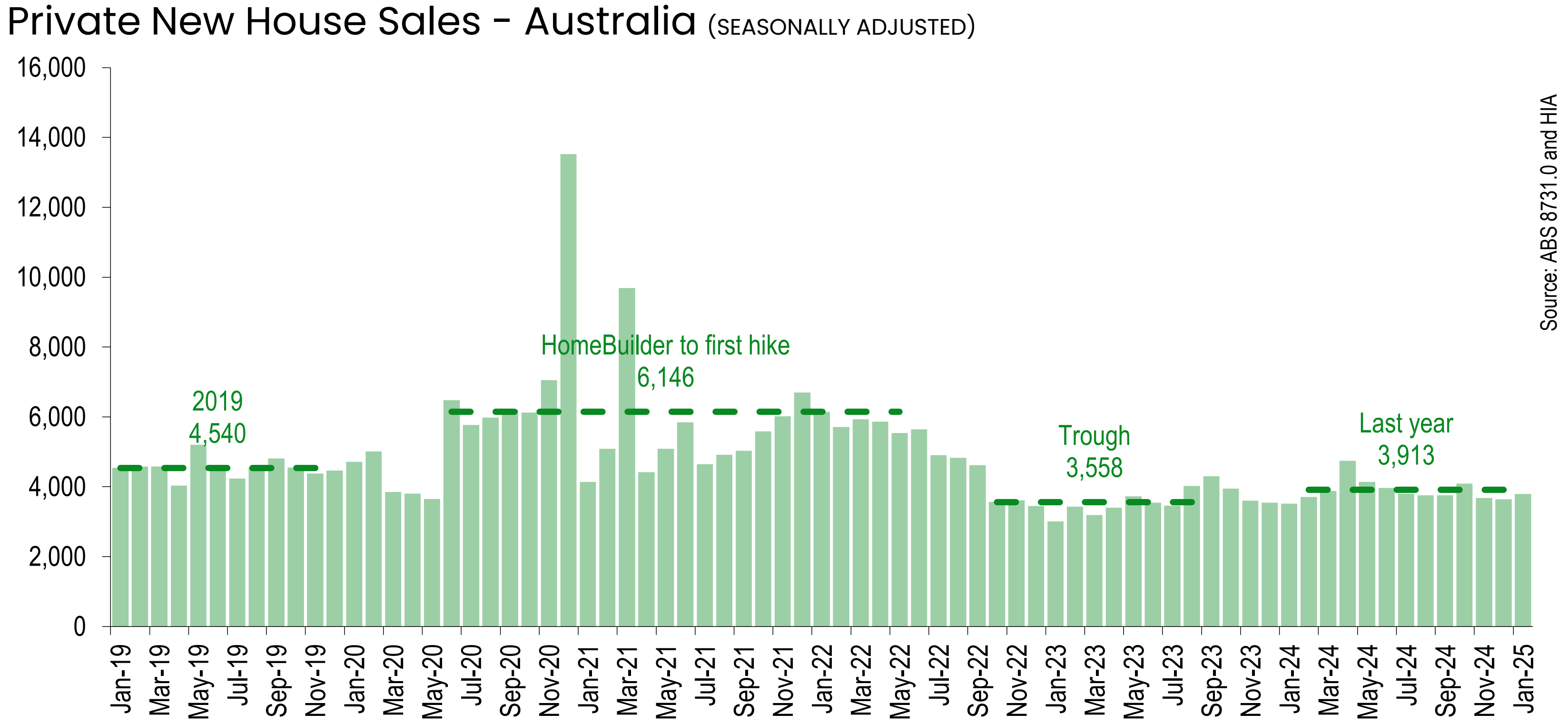
Consumer confidence bouncing back

Consumer Confidence

Source: Westpac-Melbourne Institute

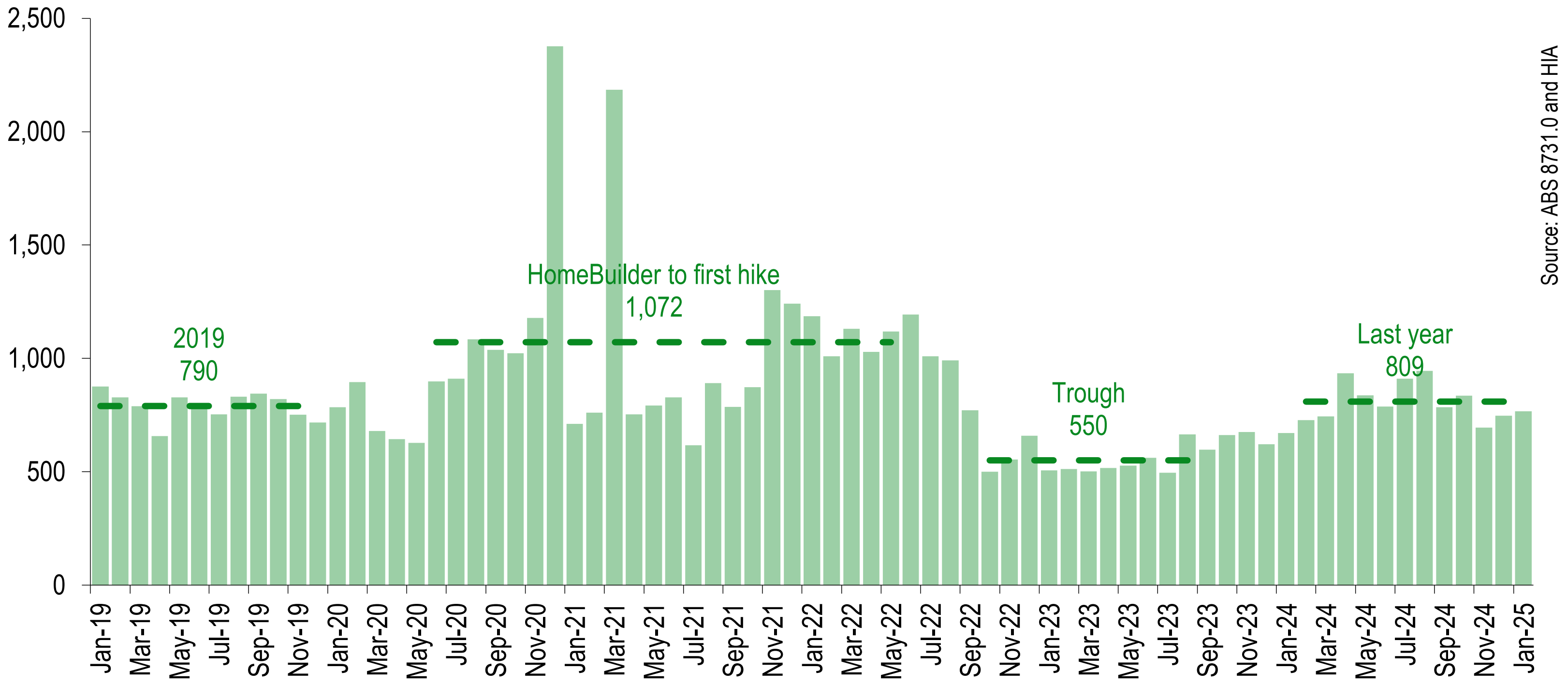


New Home Sales picking up

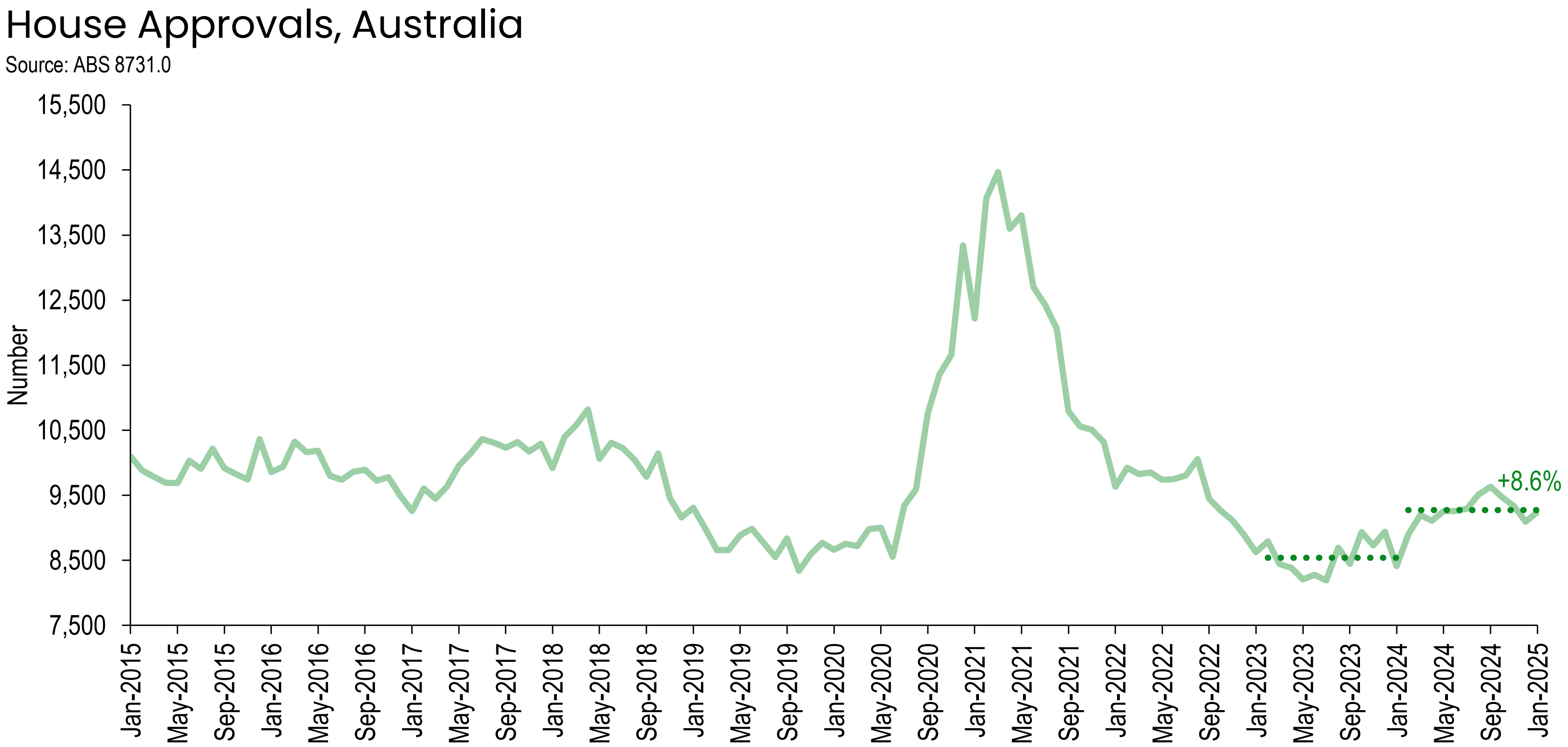


Especially QLD

Private New House Sales - Queensland (SEASONALLY ADJUSTED)



Approvals followed suit

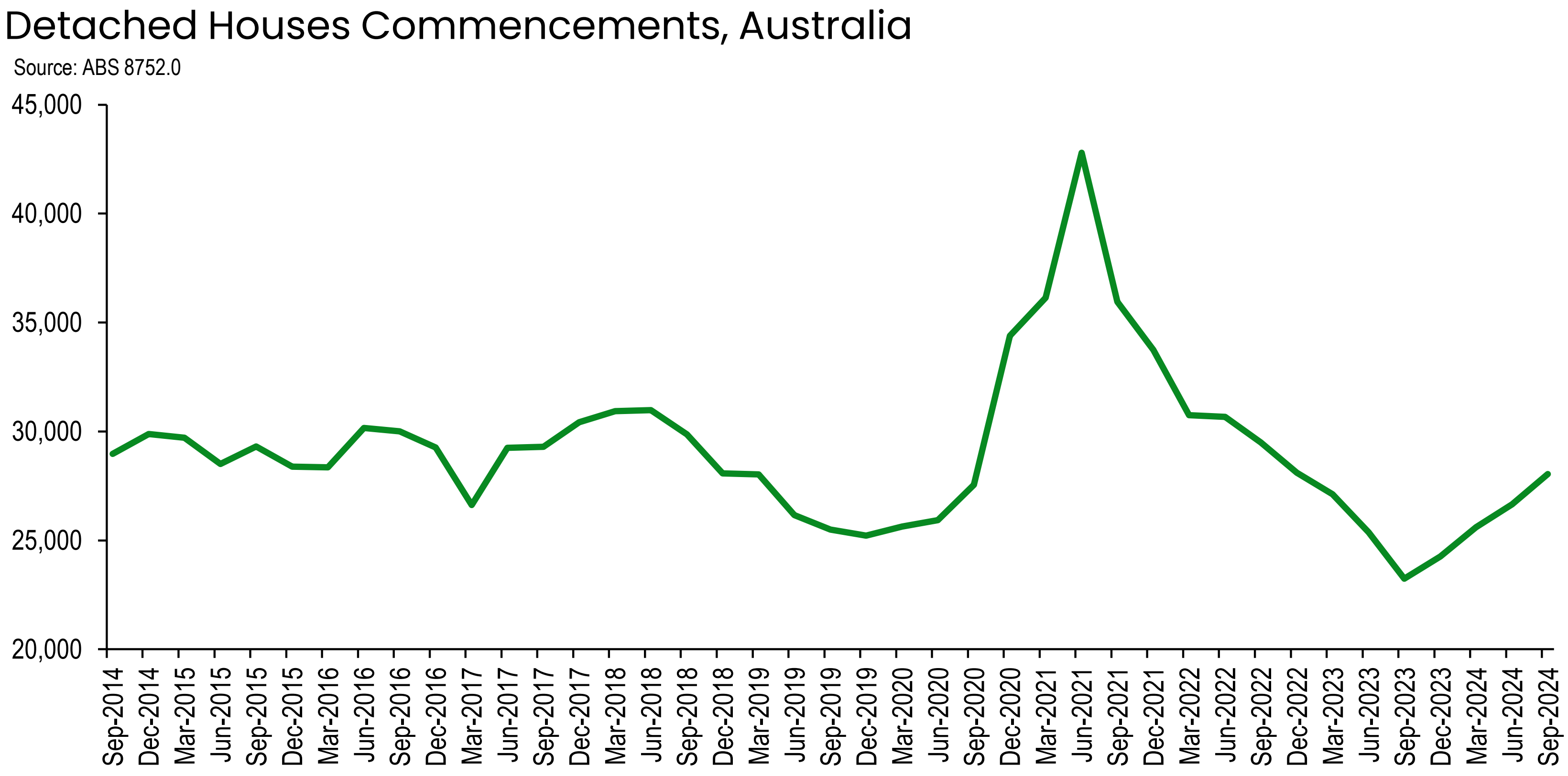


Especially QLD

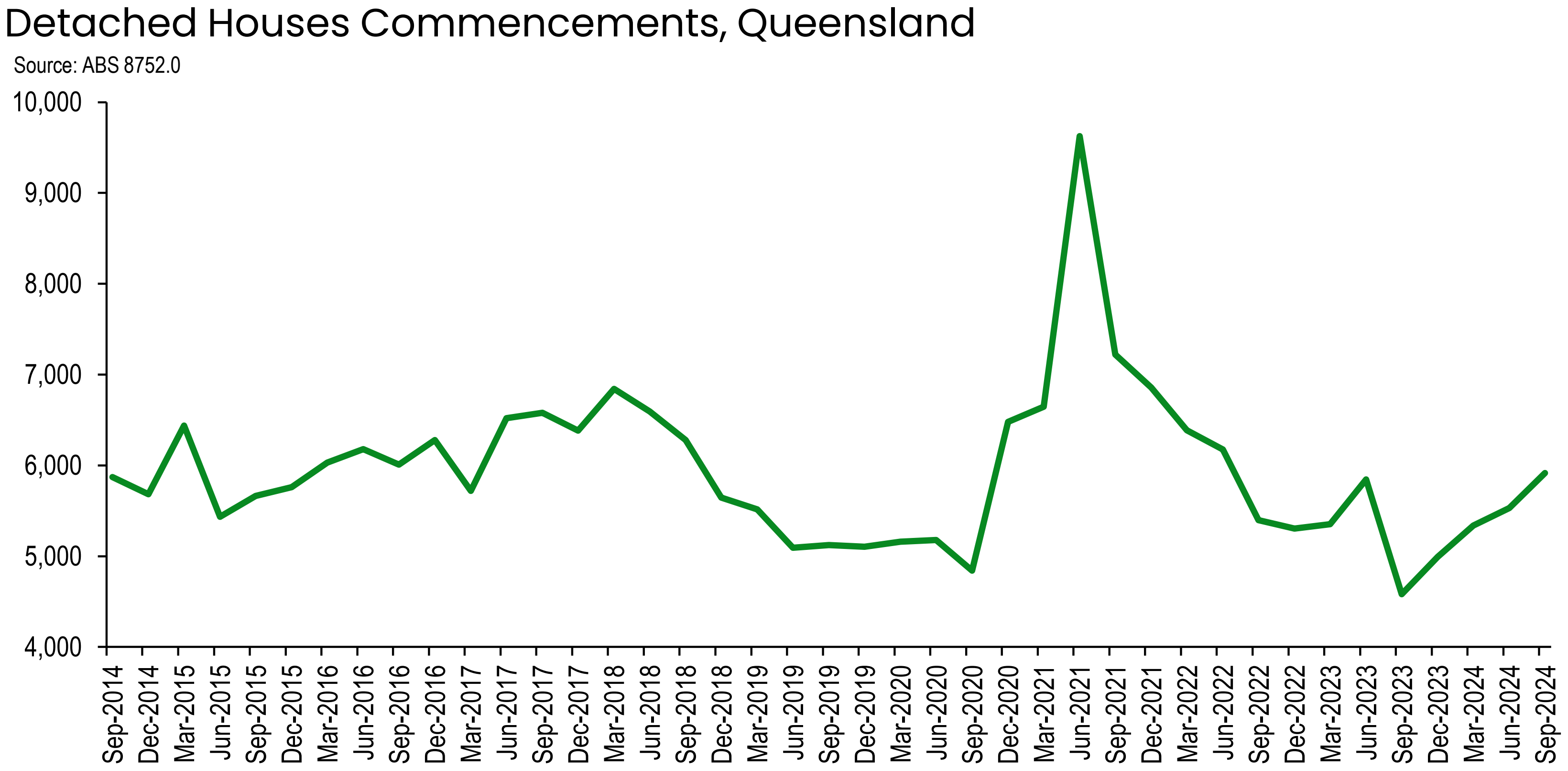
House Approvals, Queensland

Source: ABS 8731.0

And now commencements



And in QLD



Detached Houses Commencements, Queensland
Source: ABS 8752.0
10,000
9,000
8,000
7,000
6,000
5,000
4,000
Sep-2014
Dec-2014
Mar-2015
Jun-2015
Sep-2015
Dec-2015
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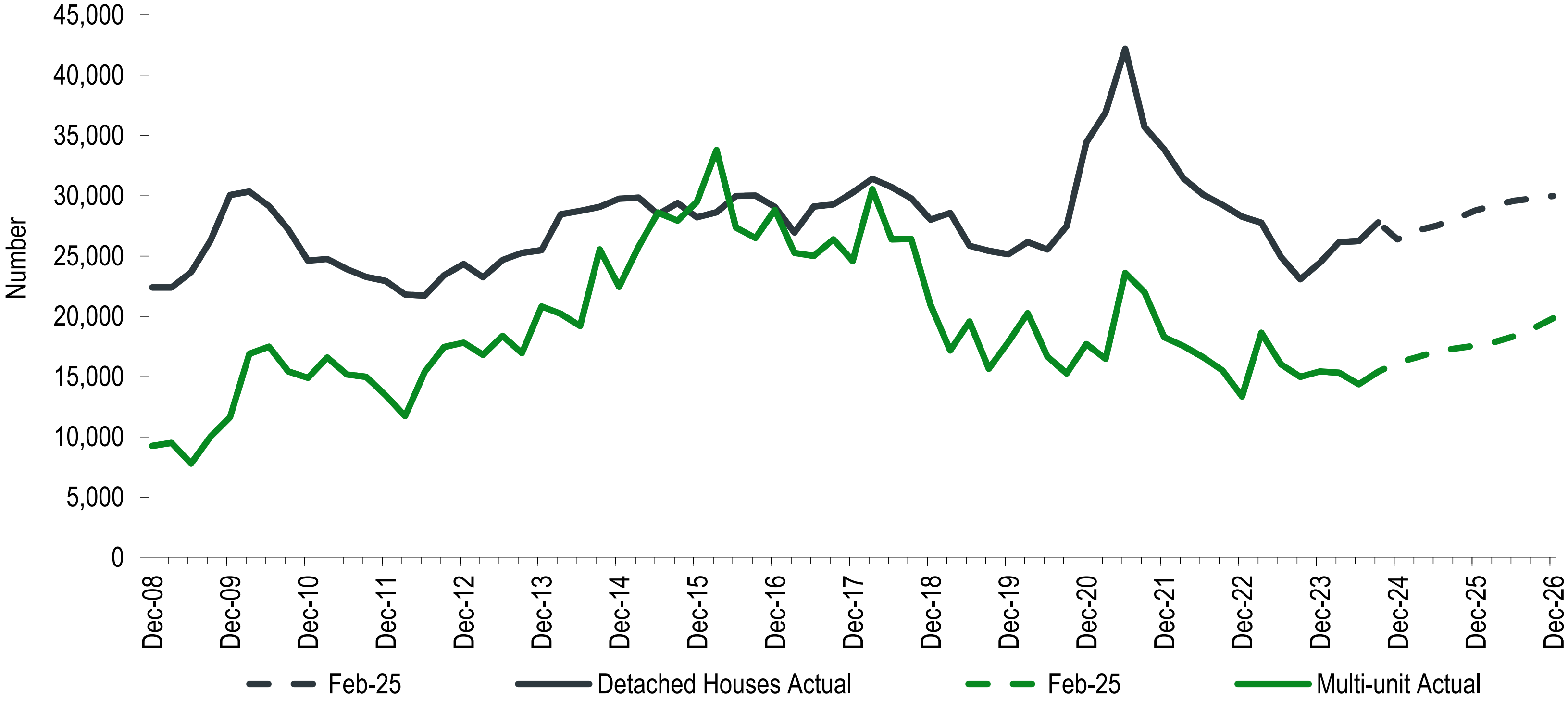
Sep-2023
Dec-2023
Mar-2024
Jun-2024
Sep-2024

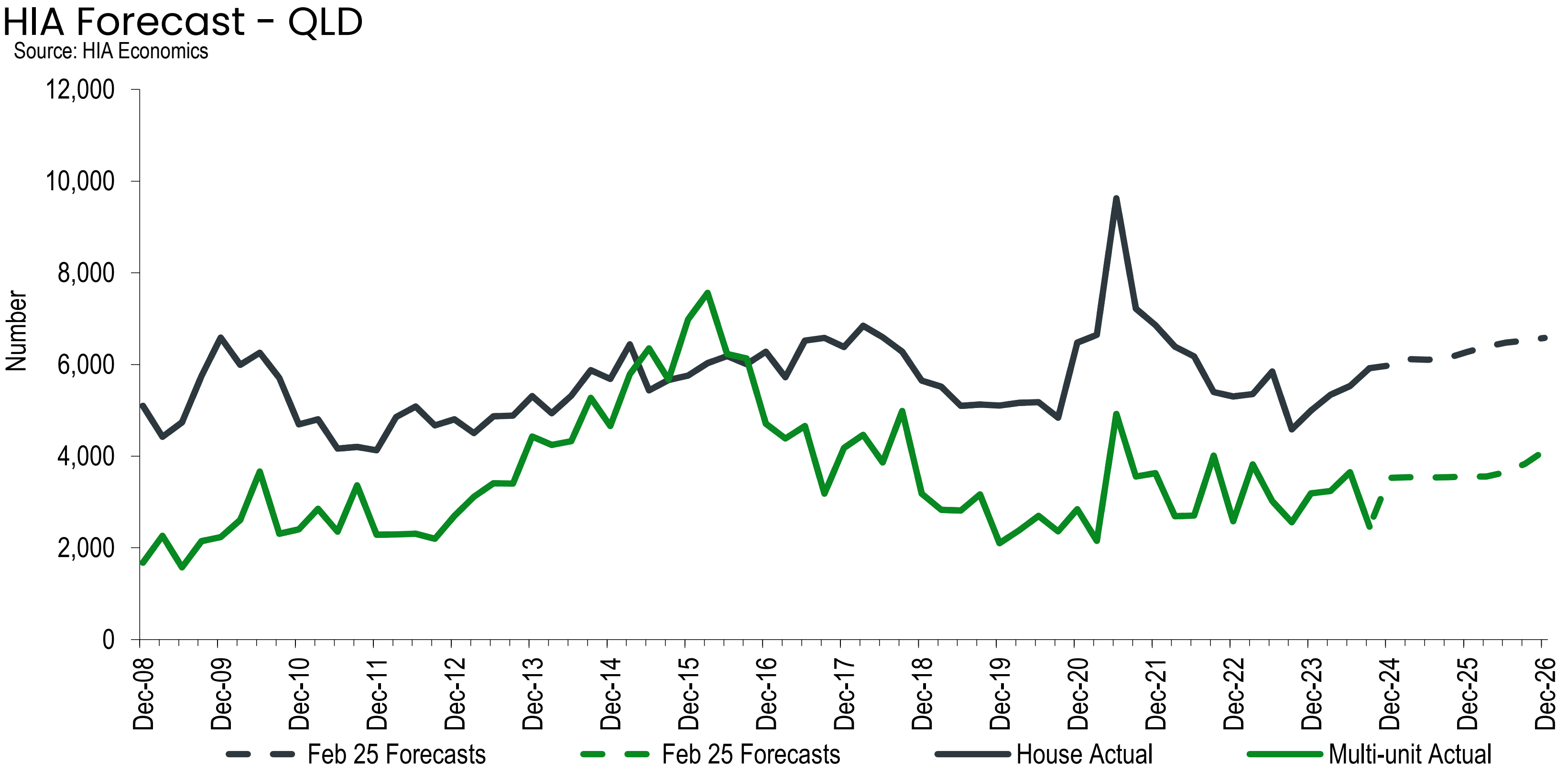
New forecasts!

HIA Forecast - Australia

Source: HIA Economics



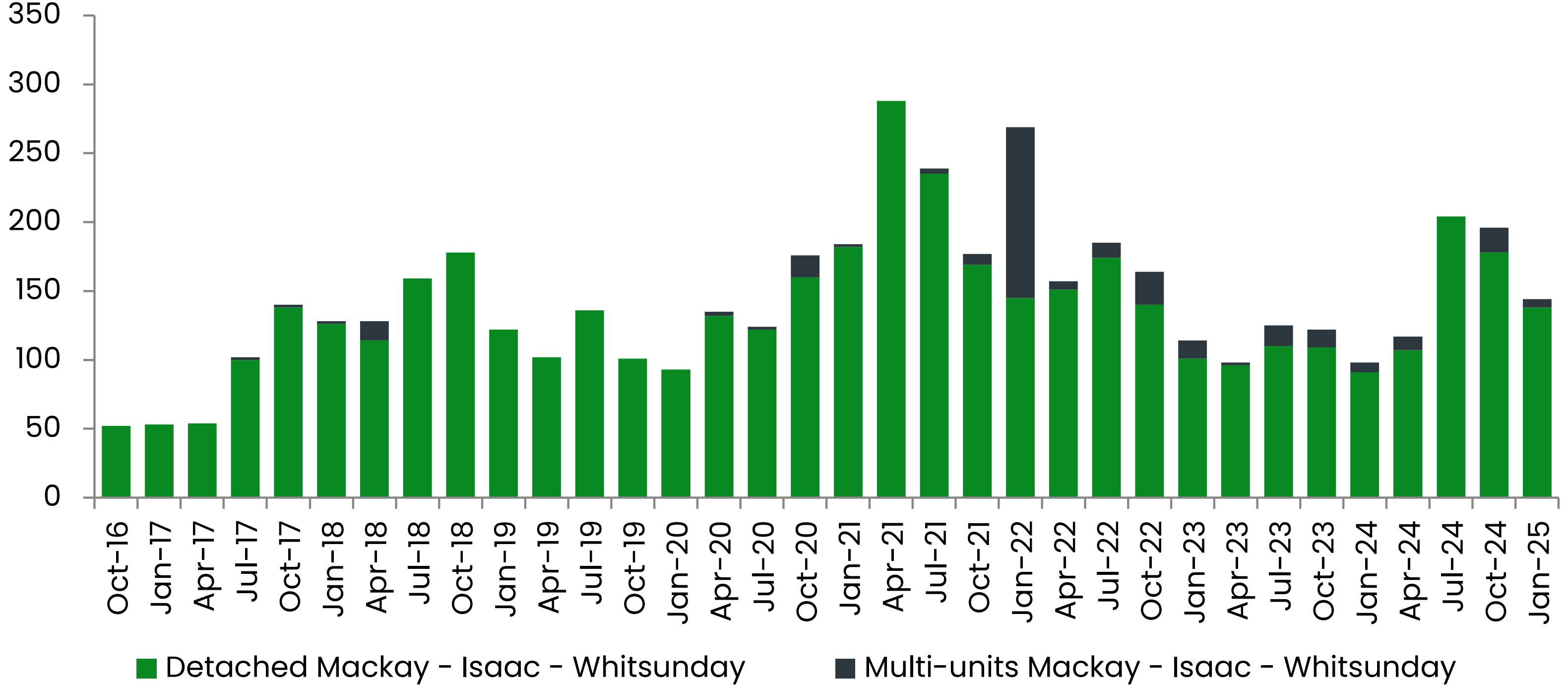
Forecasts for QLD



Local region

Quarterly Building Approvals, Mackay - Isaac - Whitsunday

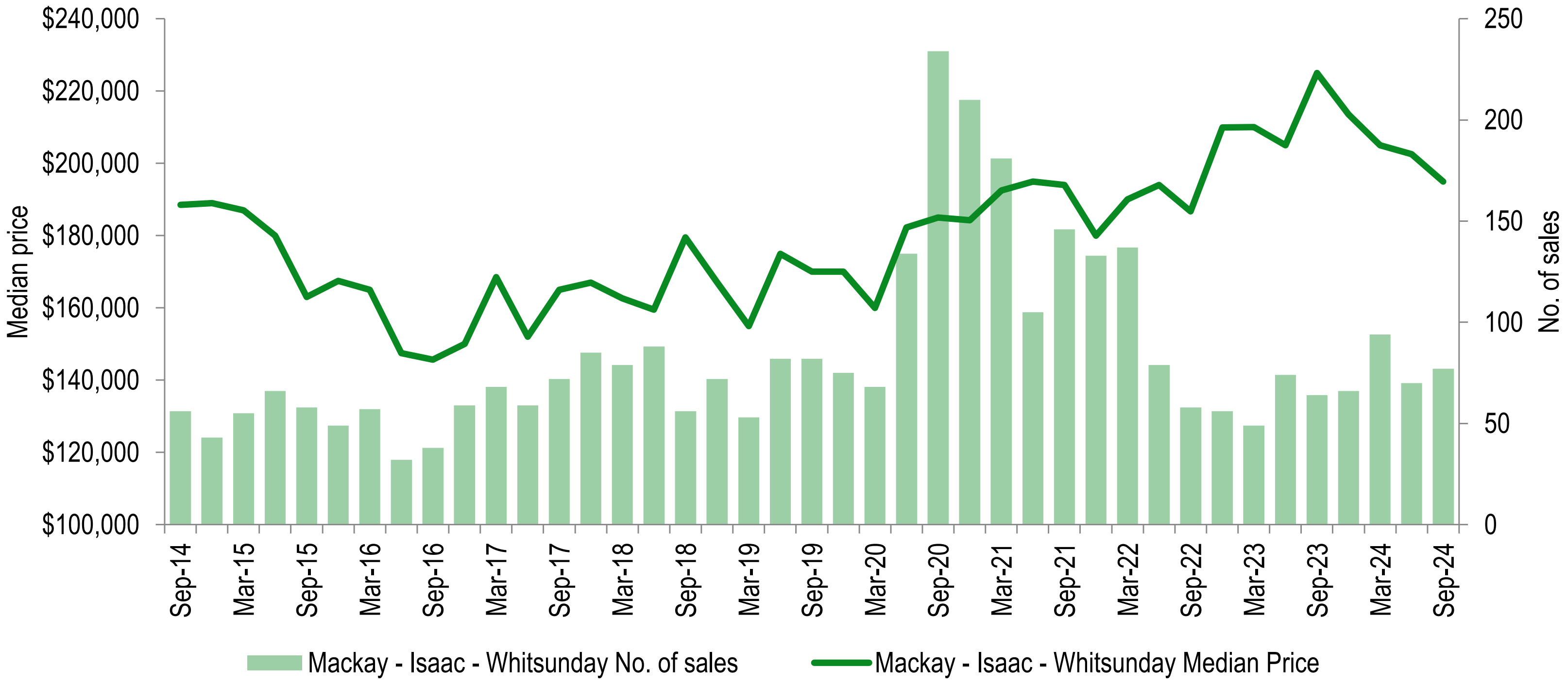
Source: HIA



Land sales picking up too

Residential Land Sales and Median Lot Value

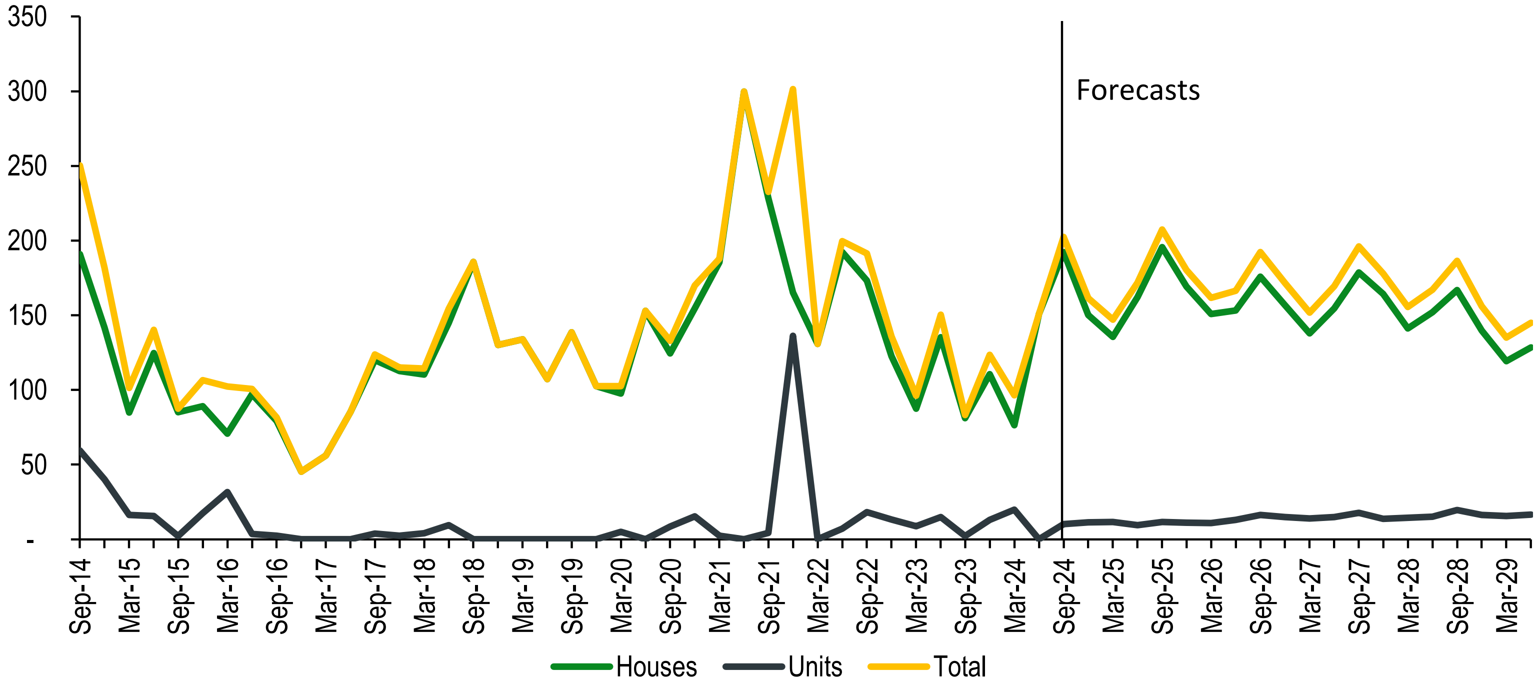
Source: HIA



Commencements expected to follow

House vs Unit Commencements, Mackay - Isaac - Whitsunday

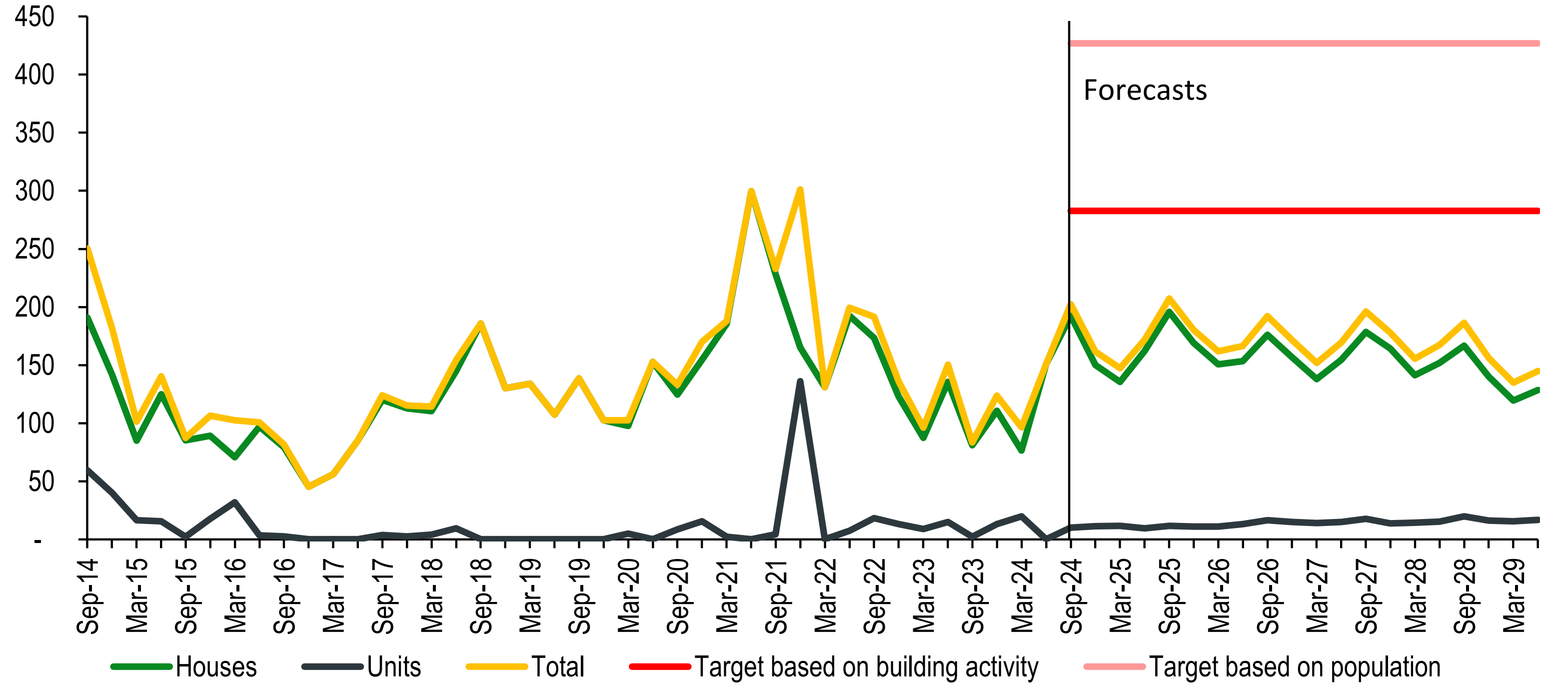
Source: ABS



Compared to target …

House vs Unit Commencements, Mackay - Isaac - Whitsunday

Source: ABS



HIA's Election Imperatives

1. Addressing skill shortages
    - Skilled migration
    - Domestic workforce development
2. Removing the barriers to supply of housing
    - Planning, approvals
    - Land
    - Infrastructure
    - Building regulations
    - Taxes
3. Establishing financial settings that encourage home ownership
    - Oversight of regulatory targets
    - Greater prioritisation of homeownership not just financial stability

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HIA.com.au

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Thank you

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