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MEDIA RELEASE

Residential Building Activity Surges in Q1 2014

Preliminary ABS figures released today show strong growth in residential building activity in the March 2014 quarter, said the Housing Industry Association, the voice of Australia's residential building industry.

There was over \$13 billion of residential building work done in the March 2014 quarter, a 6.8 per cent increase over the previous quarter and a level 8.4 per cent higher than the March quarter a year ago.

"Dwelling approvals activity was particularly strong in the final quarter of 2013, so it is natural that we now see an improvement in the level of building work being done. Today's figures are the first official statistics confirming that the strong leading indicators that we saw late last year are flowing through to strong levels of residential building activity on the ground," said HIA Economist, Geordan Murray.

"Aside from a single quarter in 2010 when activity surged in response to fiscal stimulus during the financial crisis, the March 2014 quarter was the highest level of residential building work done in any other quarter on record," said Geordan Murray.

"This bodes well for aggregate economic growth. The result suggests that residential building should make a stronger contribution to GDP growth in the quarter," said Geordan Murray.

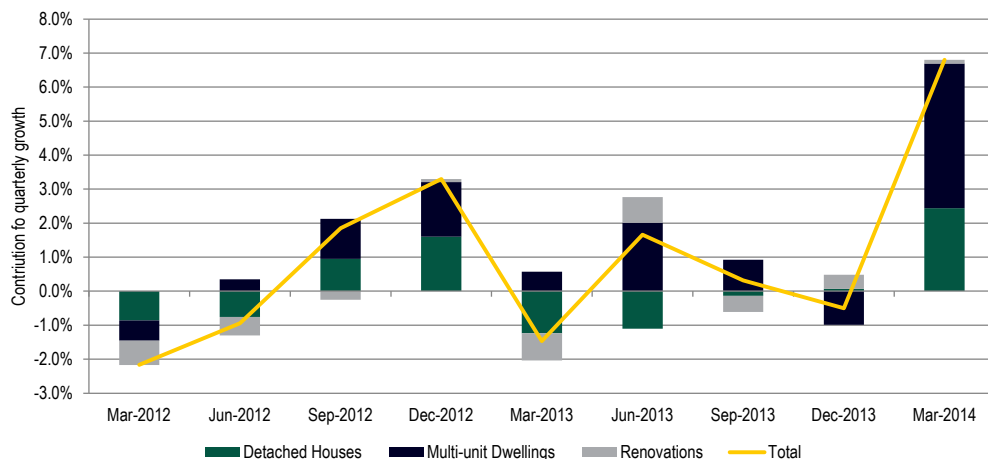
"The value of work done on multi-unit dwellings reached a new high in the March 2014 quarter, this is consistent with the indications from housing approvals data. The jump in the value of work done on multi-unit dwellings was the strongest driver of the overall improvement in activity, accounting for around two thirds of the growth in the quarter," explained Geordan Murray.

"It is encouraging to see work done on detached homes posting strong gains. Also, a second consecutive quarterly improvement in the amount of work done on home renovations is a positive sign for this part of the industry after activity dropped to decade lows in 2013," concluded Geordan Murray.

The value of work done on new detached homes increased by 4.7 per cent in the March quarter of 2014 to a level that is 2.4 per cent higher than that of a year earlier. The value of work done on multi-unit construction increased by 12.7 per cent in the March quarter of 2014 to level 19.6 per cent above the level recorded in the March quarter of 2013. The value of work done on renovations increased by 0.7 per cent in the March 2014 quarter to a level 5.8 per cent higher than the corresponding period last year

Residential Building Work Done - Preliminary

Source: HIA Economics, ABS 8755.0



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