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Modest Lift for Housing Activity

Preliminary ABS figures released today show that residential building activity lifted slightly in the first quarter of 2011, said the Housing Industry Association, the voice of Australia's residential building industry.

HIA Chief Economist, Dr Harley Dale, said that seasonally adjusted residential building work done increased by 1.9 per cent to an annual level of \$47.6 billion in the March 2011 quarter.

"It is good to see a modest rise in residential building activity in early 2011, a result driven primarily by a 5.6 per cent increase in new construction of 'other dwellings'," Harley Dale said. "Unfortunately work done on detached houses was flat over the quarter rather than also posting a rise."

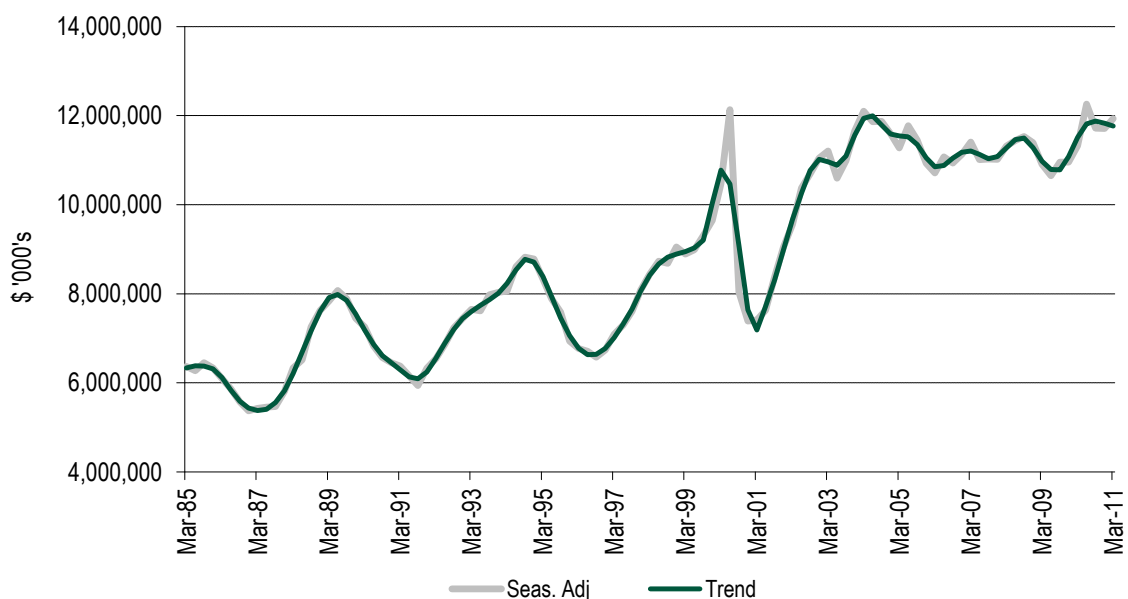
"The trend in new home building activity nevertheless turned down from late 2010. Leading indicators of new housing activity point to an acceleration of this downward trend in 2011/12 at a time when we clearly need the opposite to be occurring," Harley Dale said.

Major renovations activity posted a 1.8 per cent rise in the March 2011 quarter to reach an annual worth of \$6.91 billion, the highest in two years.

"Major renovations have started 2011 on a brighter note. Australians are increasingly looking to improve their existing homes rather than face the mounting transaction costs and new housing taxes and charges they will incur if they trade-up to another property or build a new home," said Harley Dale.

In the March 2011 quarter, seasonally adjusted new residential building work done increased by 7.3 per cent in New South Wales and was up by 1.7 per cent in Victoria, 2 per cent in Tasmania, and 27.4 per cent in the Australian Capital Territory. Work done was flat in Western Australia and fell by 5.2 per cent in Queensland and 0.7 per cent in South Australia. In original terms new residential work done in the Northern Territory in the March 2011 quarter was down by 27.6 per cent when compared to the March quarter of last year.

Total Residential Building Work Done



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