

Media Release



MASTER BUILDERS
A U S T R A L I A

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Residential Construction Data Confirms We Are Past the Peak

The value of work done on new residential buildings slipped by 0.6 per cent in the June quarter, adding to a fall of 3 per cent over the year.

The number of new commencements, which tallies the number of new residential buildings underway in the quarter, edged up slightly by 1.2 per cent in the June quarter. “But this was not enough to offset the fall in commencements recorded over the previous 12 months, which were down by 6.2 per cent – equal to around 14,500 new dwellings in the year,” Matthew Pollock, National Manager Housing said.

“This latest data from the ABS confirms that the peak in the east coast housing boom is behind us,” he said.

“The data follows industry expectations for residential construction to moderate over the next year or so,” Matthew Pollock said.

“Recent forecasts released by Master Builders predict new housing commencements to fall to something around 187,000 in 2017-18, well down on the 220,000 new commencements recorded in 2016-17,” he said.

“This downward trend may even continue for another year, but we expect the cycle to bottom out at around 180,000. This is the benchmark needed to support high population growth and high net migration numbers baked into the Budget. Below this, we may see supply constraints once again put pressure on future house prices,” Matthew Pollock said.

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