

Media Release

Housing outlook improves as new build figures rise

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Activity in the new build market is increasing in response to Federal and State Government stimulus, leading to revised forecasts for home commencements in Western Australia this year.

Master Builders WA Executive Director, John Gelavis said the latest Housing Industry Forecasting Group figures were optimistic as the COVID-19 situation began to settle.

“It hasn’t been an easy year for making reliable economic predictions. In November last year, WA new home starts for 2019-20 were predicted at 15,500 but the number was scaled back to 12,500 in April as COVID-19 hit and now the figure has bounced up to 14,500,” he said.

“Builders have reported a sharp upswing in activity following the launch of Government stimulus packages but the long-term impact is uncertain.

“The WA new home market has been in a five-year trough so affordability was good when the building grants were offered, encouraging a lot of people to grab the cash. Land and new home sales shot up in June and July.

“The quick turnaround from low work levels to a mini-boom is creating the risk of labour shortages.

“Some tradespeople who left the industry during the hard times may be ready to jump back in but the closed WA borders are stopping interstate workers from coming in to fill the gaps and it will be difficult to increase capacity fast.

“The industry is concerned, and Master Builders has asked the State Government for modifications to the highly successful WA Building Bonus to allow more time to build the new homes which have been signed up.

“Strong population growth is the biggest driver of new home building, so as the Government moves forward in its border control policy, migration will be critical to a healthy and sustainable new home building sector.”

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