



the voice of the industry

FOR IMMEDIATE RELEASE

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Strong housing activity is still boosting the economy

Today's strong result from the ABS for Gross Domestic Product over the March 2016 quarter includes yet another vital contribution from Australia's residential building industry, said the Housing Industry Association, the voice of Australia's residential building industry.

"During the first quarter of 2016, the growth rate in Australia's Gross Domestic Product (GDP) was again boosted by the home building industry," said HIA Chief Economist, Dr Harley Dale. "New dwelling investment grew by 1.6 per cent in the quarter – the fourteenth rise in the past fifteen quarters - while the first bounce in renovations activity since mid-last year was also an upbeat result."

"Residential construction, augmented by the substantial multiplier impact of industry activity through to the broader domestic economy, has been a mainstay of Australia's economic growth during the last four years. It has been the export growth, together with the broad positive reach of new home building that has kept our economy alive and kicking."

"Against this backdrop it is disappointing that there is still little focus in the election campaign on the role of inefficient housing taxes and regulations in obstructing improved housing affordability, home ownership rates, and productivity in Australia."

"The primary way to ensure current and future generations of Australians can access housing that is affordable is by Federal government leadership in tackling the current system of excessive and inefficient housing taxes and regulations," Harley Dale said. "Stamp duty and excessive infrastructure charges are two prominent examples where reform would boost economic growth and productivity growth, but such outcomes are fanciful without policy engagement at a federal level."

"Renovations activity is also a vital component of residential construction. Growth of 1.2 per cent in the March 2016 quarter for investment in alterations and additions is a healthy result. The renovations sector has had a rough trot over recent years, but this latest update is an encouraging result."

Overall GDP grew by 1.1 per cent in the March 2016 quarter, delivering annual growth of 3.1 per cent.

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