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Dwelling Starts Hit All Time High

Residential building continues to do the heavy lifting in the economy, according to the latest building industry data released today.

“We have now reached a milestone in terms of dwelling commencements which in the year to March reached an all-time record of 203,706 with an increase of 15.6 per cent year-on-year,” Peter Jones Chief Economist of Master Builders Australia said.

“The strongest year-on-year growth in dwelling starts was achieved by Tasmania (+36.8 per cent), Victoria (+26.6 per cent) and Queensland (+20.4 per cent). Tasmania is enjoying a resurgence after a dismal few years, Victoria is being driven by a population surge, and the residential recovery is gaining momentum in Queensland,” he said.

“Both Victoria and Queensland saw strong growth in dwelling starts of around 20 per cent in the March quarter 2015,” Peter Jones said.

“Land supply bottlenecks may be starting to constrain further growth in New South Wales, as the star performer of 2013 and 2014 recorded a disappointing rise of only 1.9 per cent in the March quarter,” he said.

“In value of work done terms, there was a massive 5.1 per cent jump in residential building during the March quarter, to take the increase in year-on-year terms to 10.6 per cent,” Peter Jones said.

“In contrast, the non-residential building sector continues to suffer from lack of confidence in the wider economy, with growth in work done dropping to only 0.8 per cent year-on-year, despite a 1.3 per cent rise in the March quarter 2015,” he said.

“A reboot in business and investor confidence remains what is needed for a recovery in non-residential building,” Peter Jones said.

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