



HIA Housing Scorecard

HALF
YEARLY
REVIEW

STATE BY
STATE
ANALYSIS

STATE
RANKINGS

NEW HOME
BUILDING

A state by state performance review of residential construction

Summer 2016

LARGE STATES TAKE TOP RANKINGS

NSW EXTENDS LEAD OVER VIC

The HIA Housing Scorecard provides a half yearly review of residential building conditions in each state and territory. Across a range of activity indicators, the most recent performance in each state is benchmarked against the state's longer term average. This analysis is aggregated in a scoring system which provides a ranking that highlights the relative strength or weakness of residential building activity in each state and territory.

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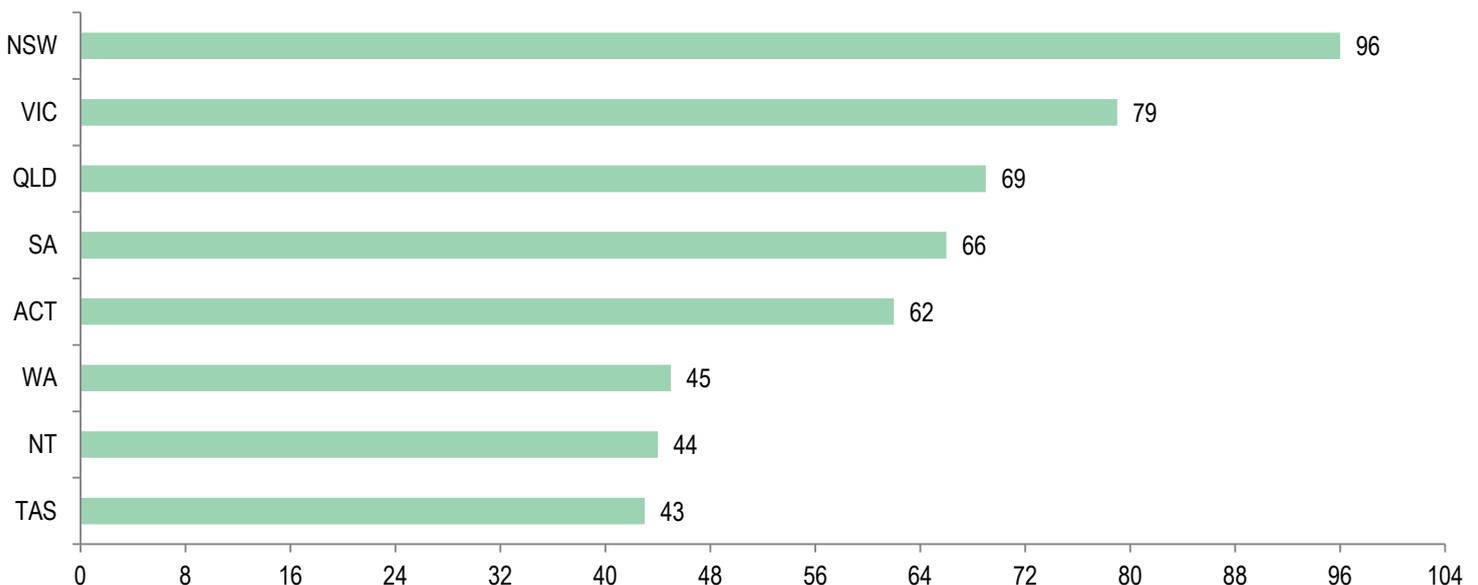
The Summer 2016 edition of the HIA Housing Scorecard confirms the dominance of the large states in terms of residential building, with New South Wales, Victoria and Queensland occupying the three top spots, in that order. The top three is the same as in the previous edition of the report, although NSW has since extended its lead over Victoria and is clearly the strongest state with respect to residential building activity. In contrast, second-placed Victoria's lead over Queensland has narrowed since the last edition but remains substantial. The disproportionately large influence of the big states on the aggregate figure nationally was a theme explored in more detail in the latest editions of the HIA National & State Outlook reports which were released recently and include updated forecasts for new home building and renovations activity.

The strong performance of NSW is down to a wide portfolio of strengths across detached houses, multi-unit activity, renovations and the size of the construction workforce. It is important to note that the construction workforce indicator in this report is influenced by sectors outside of residential building, including engineering construction and commercial building. The diminished volume of First Home Buyers (FHB)

loan transactions is the only real weak point for NSW, but one which should not be ignored. Of concern for long term rates of home ownership is the fact that the HIA Housing Scorecard shows how FHB loan volumes are well below their long term averages in every one of the eight states and territories.

A clutch of states are within close reach of one another in mid-table: Queensland is ranked third with 69 points, followed by South Australia with 66 points and the ACT in fifth place on 62 points. Similarly, there is a very tight battle to avoid last place at the wrong end of the table. Western Australia secured sixth spot with 45 points, ahead of the Northern Territory in seventh (on 44 points) by the very narrowest of margins. Just one point behind, Tasmania lost the battle to avoid the lowest ranking in the HIA Housing Scorecard. With a score of 43 points, Tasmania is in eighth spot for the second consecutive quarter. However, the tightness amongst the lowest-ranked states means that there is considerable potential for realignment over the coming quarters, making this an important space to watch.

State Scores



Score - A state score of 14 is the lowest possible and would arise if a state posted the lowest indicator score of 1 for all 14 indicators, 112 is the maximum possible and would arise if a state recorded the strongest possible score of 8 across all 14 indicators.