

CommSec report has NSW 3,000 dwelling commencements behind Victoria

Monday, 20 July 2015

The CommSec report for the January 2015 quarter has NSW 3,000 dwelling commencements behind Victoria but NSW is catching up fast, says the Urban Taskforce.

"Despite the fact that NSW commenced 3,000 fewer dwellings than Victoria in the January 2015 quarter, the CommSec report lists NSW as the top state for dwelling starts," says Urban Taskforce CEO, Chris Johnson. "The strange ranking of NSW as being top is explained by the fact that CommSec only takes into account the percentage improvement of the current quarter compared to the decade average."

"In the January quarter NSW commenced 13,153 dwellings while Victoria which is 20% smaller than NSW commenced 16,392 dwellings which would appear to be a better performance. The trend however has NSW 51.2% above the decade average while Victoria was only 35.2% above the decade average."

"The same difference occurs with population increase with Victoria's growth at 1.75% while NSW growth is 1.38%. Clearly the stronger population growth in Victoria is driving their higher production of dwellings than any other state."

"What the CommSec data illustrates is that NSW has a long way to go to lift its population growth and dwelling commencements to match the Victorian performance. Talk of NSW reaching a bubble in its housing production is premature as the under supply over the last 10 years needs corrective action. On top of this the positive confidence in NSW driven by a clear program of infrastructure investment by the state government is leading to a new wave of housing projects that increases supply."

"Our reading is that while NSW is number one in the CommSec report on upward trend, we still have a large shortfall of new housing and that this will take some years to correct."

The Urban Taskforce is a property development industry group, representing Australia's most prominent property developers and equity financiers.

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