

Housing industry prospects improving

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The last few years have been the toughest and most challenging many builders in the housing industry have ever experienced.

After historically high dwelling starts only three years ago, WA's housing industry is now delivering new homes well below its 10-year average of more than 23,000 dwelling units per year.

This has coincided with a significant reduction in population growth following a downturn in our mining and resources sector.

At the same time, we have witnessed amazing levels of construction activity in Sydney and Melbourne, highlighting once again our two-speed economy.

Although WA's economy may be lagging behind the east coast, there are many positive signs of an improvement, such as:

- A modest increase in population growth, which includes some workers returning from the east coast because our housing is more affordable.

- An improvement in consumer and business confidence following the election of the McGowan Government in March last year.
- Additional exploration and employment in the mining sector.
- More flexible planning decisions, which are encouraging more infill projects and multi-unit developments in a number of suburbs.
- Significant growth in shopping centre construction projects around Perth, which is providing thousands of jobs for our industry.
- A reduction in unemployment and growth in employment, albeit modest.
- The excitement surrounding the Metronet transport infrastructure projects, which will stimulate housing and mixed-use developments within their precincts.
- Increased traffic through display centres and increased levels of inquiry from prospective homebuyers.
- Greater diversity in housing, which is catering for different segments of our market.

The recovery in our economy will take a few more years to grow our dwelling approvals from 19,500 to 23,000-24,000



per annum, which is our 10-year average.

State and federal governments can help our industry along the recovery path by doing a number of things, such as:

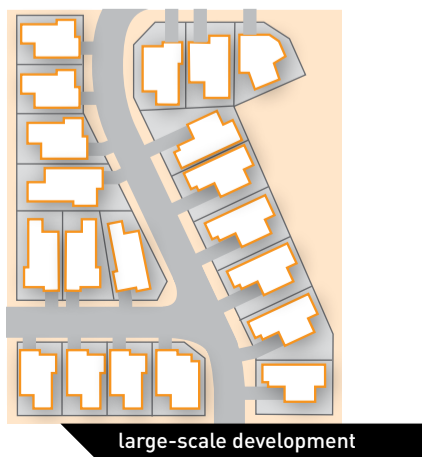
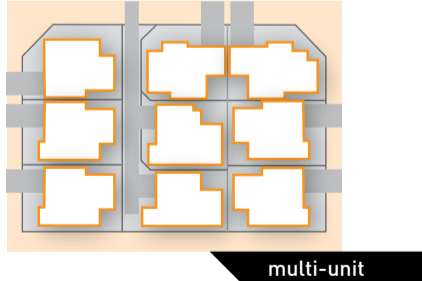
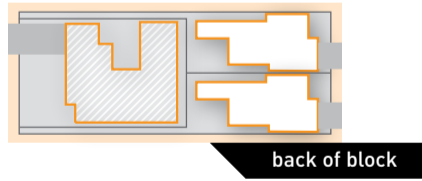
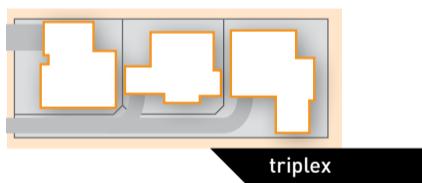
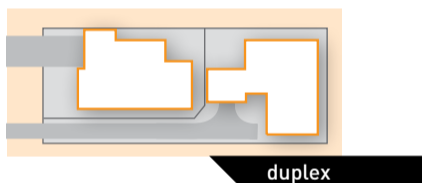
- Maintaining the thresholds and scope of the KeyStart scheme, which has been a tremendous initiative for WA homebuyers, especially those struggling to obtain finance from the banks.
- Ensuring our housing indemnity scheme operates efficiently and fairly to enable small builders in particular to take advantage of any increase in housing demand.
- Providing meaningful financial incentives to train building apprentices to ensure we have the skills and labour to meet future demand.
- Reforming our planning regime to fast-track new projects, thereby creating additional employment opportunities.

- Not increasing the already heavy regulatory burden on businesses, supposedly via legislative 'reforms' or budgetary decisions.
- Being responsible in managing our economy and stimulating economic growth.

These initiatives provide a workable framework for our industry to take advantage of the green shoots that are now emerging. Competition will remain fierce across the housing industry, which will ensure homebuyers receive the best deal.

Quality workmanship, first-class customer service and value for money will always sustain good builders through referrals and industry reputation.

If you are able to take advantage of the current downturn in WA's economy, you will certainly get a great deal from your builder, so choose wisely.



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