

Housing Industry Forecasting Group

Forecasting Dwelling Commencements in Western Australia

Media quotes:

“The Western Australian economy has held strong in the face of rising interest rates and living costs, underpinned by resilient consumer spending and low unemployment.”

“While it’s expected household spending will decline and growth will slow, the overall outlook for the WA economy remains positive. The state’s strong pipeline of business investment should help support the economy over the next couple of years.

“The rising costs of doing business, skills shortages and the possibility of inflation being more persistent than expected, remain challenges for the economy.”

“Rising construction costs and skill shortages continue to impact the building industry, maintaining extended build times and constraining the number of dwellings under construction.”

“The Housing Industry Forecast Group has revised its forecast dwelling commencements for 2022-23 to a range of 13,000 – 14,000, down from 17,000 – 18,000, and expects capacity constraints to be a key challenge in Western Australia in the first half of 2023-24.”

“Looking further ahead, there is some good news. We appear to have passed the peak of dwellings under construction, which will provide some relief to industry. Further capacity is also expected to become available as significant infrastructure projects come to completion.”

“Demand for established homes remains strong, fuelled by population growth and the challenges in the building industry.”

“Increased demand and limited supply in the established homes market have seen property values rise, despite the rise in interest rates and decline in borrowing capacity.”

“WA’s rental vacancy rate remains at record lows. Demand continues to outstrip supply and the delays in the building industry are interrupting the natural flow of the rental market. No significant relief is expected in the short term as migration remains strong.”

For further information please visit <https://www.wa.gov.au/government/document-collections/housing-industry-forecasting-group>

The Housing Industry Forecasting Group is a joint housing industry and government body providing independent forecasts and commentary on the Western Australian

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housing sector. The Group includes representatives from the UDIA, Property Council, HIA, Department of Communities, REIWA, Development WA, Landgate, theWater Corporation, CCIWA, Department of Treasury, Department of Planning, Landsand Heritage, MBA, Bankwest and AHURI – Curtin University.

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