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MEDIA RELEASE

Bleak building report for Sunshine State

A new report to be launched today by the Urban Development Institute of Australia (UDIA) (Monday, 13 July 2009) paints a bleak picture of the Queensland building industry and warns of massive job losses, housing undersupply and further loss of government revenue in the future.

UDIA Queensland President Warren Harris said the first 'Development & Construction Industry Performance Report' provides an unprecedented overview of the downturn in building activity in the Sunshine State.

The report looks at industry fundamentals such as dwelling approvals, housing build rates, underlying demand and construction unemployment.

Perhaps most compelling is Queensland's very obvious fall from grace when compared with activity in the other states, manifesting the most profound drops in building and dwelling approval rates since early 2008.

Dwelling approvals in Queensland have dropped 30%, with approvals in regional Queensland currently sitting at 44% below the rate recorded a year ago.

The report also highlights a massive underbuild situation, with accumulated housing undersupply predicted to tip 45,000 Queensland homes by June next year.

"It is certainly an alarming snapshot of what has been felt by those on the ground in the development and construction industry over the last 12 months," Mr Harris said.

"In recent months, the UDIA has been reporting industry job losses and calling for urgent Government action to curb the dramatic downward trends," he said.

"A comprehensive performance report such as this provides not only a summary of changes in Queensland activity, but also allows some comparative analysis of the different strategies being implemented across the country to stimulate building rates.

"One has to ask, when the whole country has faced the extreme challenges of the global financial crisis, why Queensland has fared worse than any other state.

"The Queensland development and construction industry directly employs around 200,000 workers and accounts for 9% of Queensland's workforce; \$6 Billion in tax revenue and \$67 Billion in turnover each year.

"Of great concern is the latest data that the industry should be delivering 1000 homes for Queensland communities each week, but is only delivering around half of that number.

"It is broadly accepted that Queensland's restricted land supply, excessive infrastructure charges and an inefficient planning system, and difficulties accessing finance have resulted in the current situation where we are facing an undersupply of 45,000 homes by June 2010.

"Confirming this alarming situation, the Queensland Government has written down its take from transfer duty of \$2.92 Billion in 2007/2008 to an estimated \$1.762 Billion in 2008/2009 and \$1.704 Billion in the 2009/2010 Budget.

"This represents an approximate loss of industry turnover of \$25 Billion, representing job losses of up to 75,000 in the industry once the federal government's support programs dry up," he concluded.

Ends.

Media: For more information, please contact Susan McCosker on 0422 567 667. All graphs contained in the report are available as high quality images for publication by request.