

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Australian Government's response to the COVID-19 pandemic

2020 - 2021

Division: Macroeconomic Conditions Division
Topic: Housing market
Reference: Spoken question from Senator Gallagher – 30 July 2020, IQ20-000183

Question:

Can Treasury provide some further information on the level of underlying activity in the housing market?

Answer:

In 2019-20 there were roughly 169,000 private houses and medium-high density dwellings approved in Australia (not including renovations), many of which will flow through to dwelling investment activity in 2020-21. The ABS data series does not provide a comparable number of renovations approved in 2019-20.

The July Economic and Fiscal Update forecasts a decline in dwelling investment activity of 16 per cent in 2020-21. HomeBuilder is expected to support approximately 20,000 dwelling contracts (comprising a mix of houses and medium and high density dwellings) between 4 June and 31 December. A further 7,000 substantial renovation contracts are expected to be supported by HomeBuilder.