

**MEDIA RELEASE**

**Wednesday, 4 September 2019**

## **DIVE IN DWELLING INVESTMENT HURTS ECONOMY**

National accounts data shows the continued slump in dwelling investment is acting as one of the main drags on the economy, according to the Urban Development Institute of Australia (UDIA).

The quarterly accounts show investment in new and used dwellings fell six percent for the June quarter – with a 10.9 percent fall over the past 12 months.

All states and territories bar Tasmania recorded falls in dwelling investment.

“Housing construction is a make-or-break element of our economy - given it spurs jobs, wages and supply chain activity right across the economy,” says Connie Kirk, UDIA National Executive Director.

“The national accounts show the weak approvals and commencement data we’ve been witnessing over the past two years, are now acting as a drag on the economy.

“Whatever tentative movement we are seeing on house prices is yet to translate into a renewed round of construction that can deliver the homes, jobs and economic growth the economy needs.

“There is a clear case for accelerating reforms that can trigger more confidence, investment and activity in a sector crucial to the health and strength of the broader national economy.

“It is a fundamentally good thing that our economy is still enjoying growth when other major economies are sliding – and there is optimism that tax cuts and lower interest rates will feed into the system.

“However, there is a need to pull every policy lever available to ensure the economic rebuilds momentum - and housing construction is vital,” says Connie Kirk.

In June this year, UDIA National released a post-election action plan entitled ‘Building A Better Australia’ that outlines six policy priorities across population, cities, infrastructure, housing, tax and regulation.

The priorities are:

- Entrench the emerging new policy framework to get population settings right
- Create a Bi-Partisan Infrastructure Accord to deliver long-term certainty in planning and delivery
- Audit the current infrastructure pipeline to assess opportunities for unlocking land use
- Properly design and fund the new mandate on housing supply, demand and affordability
- Identify short, medium and long-term steps to reform and strip back taxes on new housing
- Commence a review of environmental planning laws to reduce red tape.

**Media Contact: Christina Efthymiades 0417 207 107**

[www.udiapriorities.com.au](http://www.udiapriorities.com.au)