

HOMEBUILDER EXTENSION WILL BOOST JOBS AND GROWTH

The Commonwealth Government's decision to extend and partially redesign the *HomeBuilder* initiative will help continue to sustain new housing construction, jobs, wages and access to home ownership as Australia recovers from the economic effects of COVID-19.

The Urban Development Institute of Australia – the nation's peak body representing the property development industry – supported the decision.

"We know *HomeBuilder* is already working to boost new housing construction and the economic activity that follows, so the Government has taken the smart decision to run with a proven winner," said UDIA National President, Simon Basheer.

"Jobs, wages and activity up and down supply chains will flow from the extended application of *HomeBuilder* – and thousands of young Australians will find it easier to access the dream of home ownership.

"Housing and construction contribute 750,000 direct and indirect jobs to the nation, so it is well placed to fill the gap caused by border restrictions and slower population growth due to current immigration levels."

UDIA National has consistently sought an extension to *HomeBuilder*, underpinned by [research](#) showing residual domestic demand for new housing remains substantial and can play a crucial role in lifting economic activity over the short to medium term until immigration returns to more sustainable levels.

"UDIA lodged a submission with the Federal government entitled "HomeBuilder 2.0" in September and we are pleased that the Commonwealth has rightly identified the economic benefits from extending stimulus that supports the housing and construction sectors. Our submission detailed practical actions that could be taken – and some have been adopted by the government in its revamp", Mr. Basheer said.

Likewise, a [recent industry survey](#) commissioned by UDIA National showed the benefits of *HomeBuilder* so far, but the risk that construction pipelines and new home sales would decline without an extension.

"The government has sensibly recognised that the advantages for extending the timeframes for consumers entering contracts to 31st March next year to keep the momentum going.

In addition, raising the pricing caps for Sydney and Melbourne to \$950,000 and \$850,000 to better reflect pricing in these cities is a step in the right direction – as is extending commencement timeframes from 3 to 6 months from date of building contract signing which will enable a more orderly roll out of construction programs" Mr Basheer said.

UDIA National encourages the Government to maintain flexibility with the scheme – both to allow for its ongoing extension as economic circumstances demand, but also the timeframes and commencement criteria within *HomeBuilder* to help stimulate the fledgling townhouse and apartment sector activity.

"These product typologies need a very different set of criteria than renovations or new house and land packages in greenfield locations. This sector accounts for a substantial proportion of new dwelling commencement especially in Sydney and Melbourne and it is important that initiatives are delivered to also kick start this part of the industry", Mr. Basheer said.

"The property industry is playing a central role in powering the nation's economic revival. As an industry that generates jobs, wages and activity up and down supply chains, new housing construction can help fill the gap caused by slower population growth.

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