



# RESIDENTIAL MARKET REPORT | DECEMBER QUARTER 2017

## EXECUTIVE SUMMARY

### RESIDENTIAL LAND MARKET - VICTORIA

- The established house and vacant land markets across Greater Melbourne continued to remain buoyant in December quarter 2017.
- Greater Melbourne's **median house price of \$821,000 in December quarter 2017** represented solid growth of 6.9% from the corresponding quarter a year earlier.
- The growth corridors within Melbourne, Geelong and Surf Coast recorded **5,759 gross lot sales in December quarter 2017 (-1.6% from December quarter 2016)**.
- The **median land price** across Greater Melbourne's growth corridors was **\$303,000 in December quarter 2017, equating to growth of 5.2% from September quarter 2017 and 28.5% from December quarter 2016**.
- Further highlighting the strength of new house demand that underpinned this solid price growth was that it coincided with the **median lot size** across Greater Melbourne's growth corridors shrinking by 3.4% from the previous quarter to **416m<sup>2</sup> in December quarter 2017**.

### ECONOMIC UPDATE

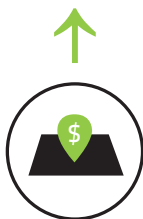
- **Annual Gross Domestic Product (GDP) to September 2017 increased by 2.24%** on annual GDP to September 2016, with **public investment spending and exports the key drivers of economic activity**.
- Growth in the **Victorian economy outperformed the national average, with annual State Final Demand (SFD) at September 2017 being 4.70% higher** than the same period at June 2016.
- The RBA has maintained the cash rate at a historical low of 1.50% through December quarter 2017.

### FINANCE AND BUILDING ACTIVITY - VICTORIA

- Improving economic conditions and strong population growth in Victoria, combined with historical low borrowing costs, has underpinned robust owner occupier demand through 2017.
- The number of **loans for the construction of new dwellings or newly erected dwellings** that have not previously been occupied during calendar 2017 of **32,363 dwellings, was 10.9% higher** than the previous corresponding twelve month period.
- In Victoria, there were **37,048 new detached houses approved** during calendar 2017, reflecting an **annual increase of 1.8%**.



Lot Sales



Lot Prices



Lot Sizes



Victorian Economy Performance



Finance Activity



Detached Building Approvals

# VACANT LAND MARKET - VICTORIA

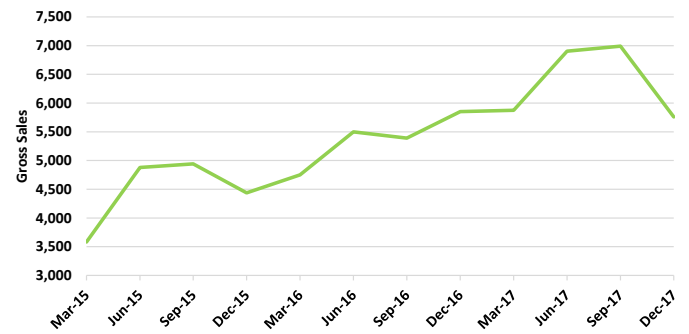
## GROSS SALES

- The number of land sales recorded by the RPM Research Division since the middle of 2014 reflects an exceptionally strong market. In particular, gross sales were just below 7,000 lots in both June quarter and September quarter in 2017. **The growth corridor regions in Melbourne and Geelong have recorded 5,759 gross lot sales in December quarter 2017, which represented a slight decline of 1.6% from the previous corresponding quarter.**

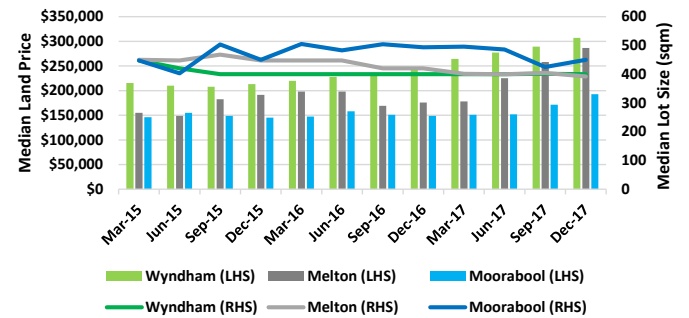
## LAND PRICES AND LOT SIZES

- The median price of all vacant lots sold within the growth corridors across Greater Melbourne (excluding Geelong and Surf Coast) was **\$303,000 in December quarter 2017, representing growth of 5.2% from the previous quarter and a substantial 28.5% from December quarter 2016.** Significantly, this was the tenth consecutive quarter that annual growth of Greater Melbourne's quarterly median land price has accelerated.
- Further highlighting the strengthening of new house demand through this period, has been the decline in the **median lot size for vacant lots sold within Greater Melbourne's growth corridors, which in December quarter 2017 was 416m<sup>2</sup>.** This was 3.4% smaller than the median lot size in the previous quarter, and 8.8% below the median lot size in June quarter 2015, where annual median lot price growth has continually increased since.
- City of Casey recorded the highest median lot price of \$357,000 in December quarter 2017. However, more notably, the median lot price in four other municipalities of Cardinia, Whittlesea, Hume and Wyndham all surpassed \$300,000 during December quarter 2017. Moorabool Shire contained the least expensive median lot price of \$192,500, and was also the only growth corridor with a median lot price of below \$200,000. Interestingly, the Surf Coast median lot price of \$329,000 in December quarter 2017 was more expensive than the corresponding figure for Greater Melbourne, which is likely attributed to the region's attraction to changeover buyers.
- All Greater Melbourne growth regions experienced double digit annual price growth in December quarter 2017, ranging from 25.3% in City of Wyndham, to 62.8% in City of Melton. Importantly, changes in land price become more relevant when compared to that for lots sizes, with the median lot size in City of Melton shrinking by 6.7% over calendar 2017. Only two other municipalities experienced a larger percentage fall in their respective median lot size, being 9.3% in Hume and 8.8% in Moorabool. Conversely, the median lot size in Cardinia increased by 33% over calendar 2017.

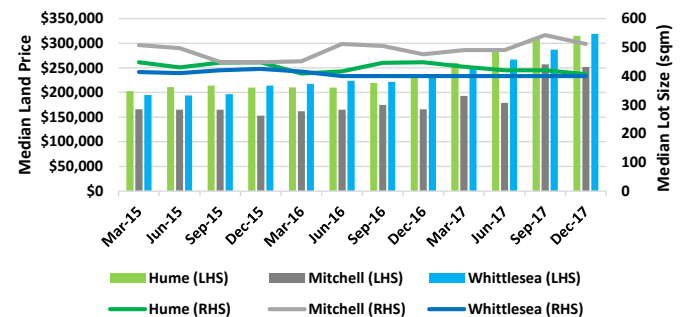
## GROSS SALES



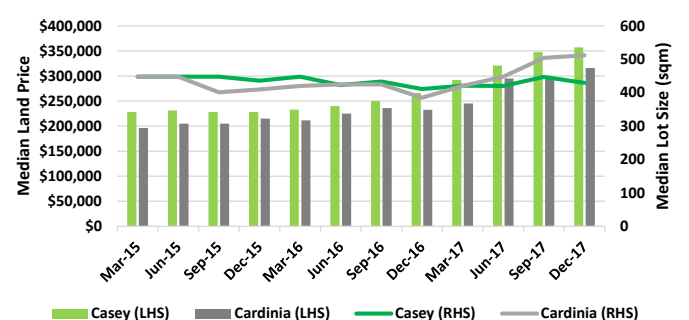
## WESTERN CORRIDOR



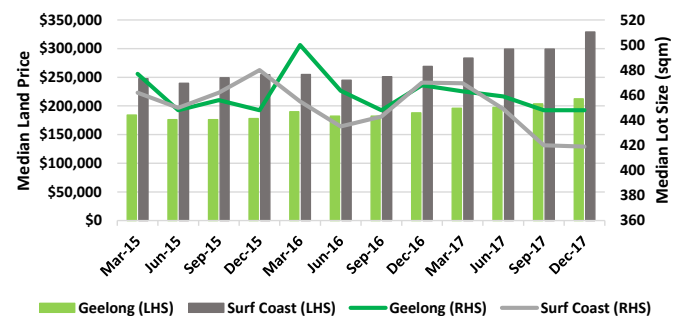
## NORTHERN CORRIDOR



## SOUTH EASTERN CORRIDOR



## GREATER GEELONG & SURF COAST CORRIDOR



## TOPIC OF INTEREST

# THE CHANGING LANDSCAPE OF THE GREENFIELD MARKET

### MELBOURNE GROWTH CORRIDOR SNAPSHOT

A little over 10,000 surveys were included across the 3 calendar years to December 2017

#### OWNER OCCUPIER VS INVESTOR



Type	2015	2016	2017
Owner Occupier	82%	74%	71%
Investor	18%	26%	29%

There has been an increasing share of investors taking ownership in the greenfield market as they continue to see strong capital growth and robust rental returns

#### OWNER OCCUPIER TYPE



Type	2015	2016	2017
First Home	63%	60%	53%
Second Home	24%	26%	32%
Third + home	13%	14%	15%

Families increasingly upgrading into land estates, which are no longer just for budget conscious buyers or first home buyers - which have decreased

#### COUNTRY OF BIRTH (OWNER OCCUPIERS) TOP 3



Country	2015	2016	2017
Australia	47%	39%	33%
India	29%	35%	46%
Sri Lanka	7%	6%	5%

Shifting demographics have seen a change in where buyers come from with an increasing presence of Indian owner occupiers

#### MODE OF TRAVEL TO WORK



Mode of Travel	2015	2016	2017
Car	89%	86%	85%
Train	9%	12%	13%
Walk	2%	2%	2%

Personal transport remains the most prominent, though increasing infrastructure has provided a choice which will increasingly take a larger share as the roads become even more congested

#### DISTANCE TO EMPLOYMENT



Distance	2015	2016	2017
less than 10km	27%	20%	17%
10 to 20km	36%	37%	41%
more than 20km	38%	43%	41%

An increasing share of home owners travel further than 10km to their workplace

## NUMBER OF STOREYS TO CONSIDER



Storeys	2015	2016	2017
Single	75%	57%	55%
Double	18%	28%	25%
Undecided	7%	15%	20%

A significant fall has taken place in single storey dwellings, though an increasing share of buyers remained undecided at time of purchasing which indicates buyers are more focused on securing a lot first

## SIZE OF HOME CONSIDERED (SQS)



Size of Home	2015	2016	2017
up to 20sqs	22%	24%	22%
21 to 25sqs	37%	37%	38%
26 to 30sqs	24%	24%	27%
above 30sqs	17%	15%	13%

An increasing presence of homes between 26-30sqs has taken place, indicating growing families

## BUDGET ON NEW HOME CONSTRUCTION



Budget	2015	2016	2017
< \$200,000	34%	33%	19%
\$200,000-\$300,000	50%	50%	61%
\$300,000-\$400,000	12%	13%	16%
>\$400,000	4%	4%	4%

The expected build cost of between \$200,000 and 300,000 has increased significantly over the last 12 months, with a decreasing share of budgets under \$200,000

## HOUSE & LAND BUDGET



Budget	2015	2016	2017
< \$350,000	18%	15%	6%
\$350,000-\$450,000	49%	53%	29%
\$450,000-\$550,000	23%	20%	39%
\$550,000-\$600,000	5%	6%	13%
>\$600,000	5%	6%	13%

An increasing share of buyers are expecting to pay in excess of \$450,000 for both their house and land

## TOPIC OF INTEREST

### GREATER GEELONG CORRIDOR SNAPSHOT

1,503 surveys were included across the 3 calendar years to December 2017

#### OWNER OCCUPIER VS INVESTOR



Type	2015	2016	2017
Owner Occupier	87%	72%	74%
Investor	13%	28%	26%

There has been an increasing share of investors taking ownership in the greenfield market, and Geelong is no different with 26% of buyers being investors which is reflective of the share of the Melbourne market

#### OWNER OCCUPIER TYPE



Type	2015	2016	2017
First Home	47%	42%	41%
Second Home	26%	25%	20%
Third + home	26%	33%	40%

Unlike the estates in the Metro Melbourne, Geelong attracts not only FHBs but an equally large share of upgraders with an increasing number of buyers moving into at least their third home

#### COUNTRY OF BIRTH (OWNER OCCUPIERS) TOP 3



Country	2015	2016	2017
Australia	89%	86%	80%
India	1%	3%	9%
UK	4%	5%	4%

The presence of nationalities outside of Australians are far more remote than the Melbourne growth corridors with only a small share of buyers coming from India and the UK

#### MODE OF TRAVEL TO WORK



Mode of Travel	2015	2016	2017
Car	94%	95%	96%
Train	3%	4%	3%
Walk	3%	1%	1%

Personal transport remains the most prominent, though increasing train infrastructure has provided a choice and with further spending mooted will take an increasing share

#### DISTANCE TO EMPLOYMENT



Distance	2015	2016	2017
less than 10km	42%	21%	25%
10 to 20km	33%	32%	37%
more than 20km	25%	47%	38%

An increasing share of home owners travel further than 10km to their workplace. This is reflective of the Melbourne market overall. The share in Geelong is likely to increase further as buyers working in Metro Melbourne will continue to move down to Geelong to take advantage of the price differential on offer

## NUMBER OF STOREYS TO CONSIDER



Storeys	2015	2016	2017
Single	82%	69%	67%
Double	11%	20%	11%
Undecided	7%	11%	22%

A significant fall has taken place in single storey dwellings, with an increasing share of buyers remaining undecided at time of purchasing the lot - this is reflective of the Melbourne market overall

## SIZE OF HOME CONSIDERED (SQS)



Size of Home	2015	2016	2017
up to 20sqs	19%	21%	10%
21 to 25sqs	44%	49%	48%
26 to 30sqs	24%	21%	31%
above 30sqs	13%	9%	11%

An increasing presence of homes between 26-30sqs has taken place, indicating growing families, with a fall in homes under 20sqs

## BUDGET ON NEW HOME CONSTRUCTION



Budget	2015	2016	2017
< \$200,000	30%	29%	9%
\$200,000-\$300,000	52%	54%	70%
\$300,000-\$400,000	14%	15%	17%
>\$400,000	4%	2%	4%

The expected build cost of between \$200k and 300k has increased significantly, with a decreasing share of budgets under \$200k

## HOUSE & LAND BUDGET



Budget	2015	2016	2017
< \$350,000	19%	19%	4%
\$350,000-\$450,000	50%	57%	45%
\$450,000-\$550,000	21%	12%	39%
\$550,000-\$600,000	5%	6%	7%
>\$600,000	5%	6%	5%

An increasing share of buyers are expecting to pay between \$450k and \$550k for both their house and land

## NEWS AND UPDATES

### VICTORIAN PLANNING AUTHORITY

- Plumpton and Kororoit Precinct Structure Plans were approved and gazetted in February 2018.
- In an effort to boost housing supply, the VPA has been set a target to complete 17 Precinct Structure Plans over 2017 and 2018, which will include the rezoning of more than 100,000 lots. The table below contains projections for the number dwellings, people and jobs each of these 17 Precinct Structure Plans are anticipated to support.

Precinct Structure Plan	LGA	Status	Estimated Dwellings	Estimated Population	Estimated Jobs
Pakenham East	Cardinia	Community Engagement & Exhibition	7,150	21,000	1,313
McPherson	Casey	Structure Plan Finalisation	10,100	28,300	1,619
Minta Farm	Casey	Review of Submissions	3,000	-	10,000
Lancefield Road	Hume	Structure Plan Finalisation	8,000	22,000	-
Lindum Vale	Hume	Review of Submissions	1,500	-	-
Sunbury South	Hume	Structure Plan Finalisation	11,800	33,000	-
Kororoit	Melton	Completed - February 2018	9,200	25,875	2,100
Mt Atkinson & Tarneit Plains	Melton	Completed - September 2017	6,700	19,000	18,000
Plumpton	Melton	Completed - February 2018	10,680	29,900	12,000
Beveridge Central	Mitchell	Submitted for Approval	3,640	10,193	-
Beveridge North West	Mitchell	Council & State Agency Consultation	11,290	31,611	6,165
Donnybrook & Woodstock	Whittlesea	Completed - November 2017	16,400	46,000	3,316
Shenstone Park	Whittlesea	Council Led	-	-	-
Wollert	Whittlesea	Completed - February 2017	15,060	42,168	8,040
Quandong	Wyndham	Council Led	-	-	-

Source: Victorian Planning Authority

- Furthermore, background studies and draft structure preparation for the following Precinct Structure Plans have commenced during 2017
  - Aviators Field (Point Cook South) and Werribee Junction in City of Wyndham;
  - Craigieburn West and Merrifield North in City of Hume;
  - Wallan South in Mitchell Shire
  - Croskell (Casey Central) and Clyde South in City of Casey; and
  - Officer Employment in Cardinia Shire.

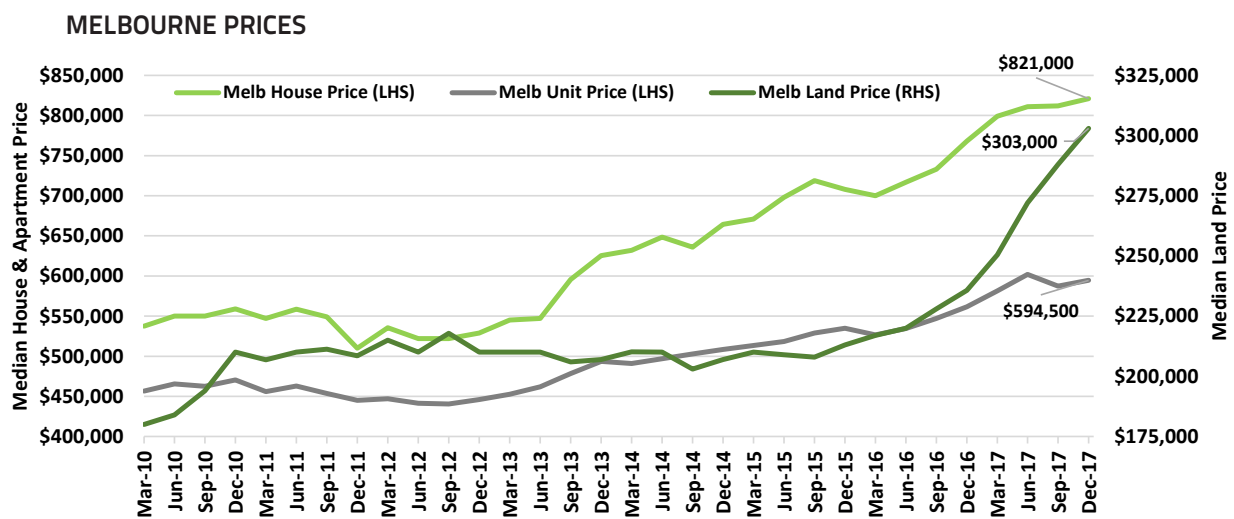
# MELBOURNE RESIDENTIAL MARKET PRICES

Property prices in Melbourne have trended upwards since the middle of 2013, with detached houses achieving stronger growth than units.

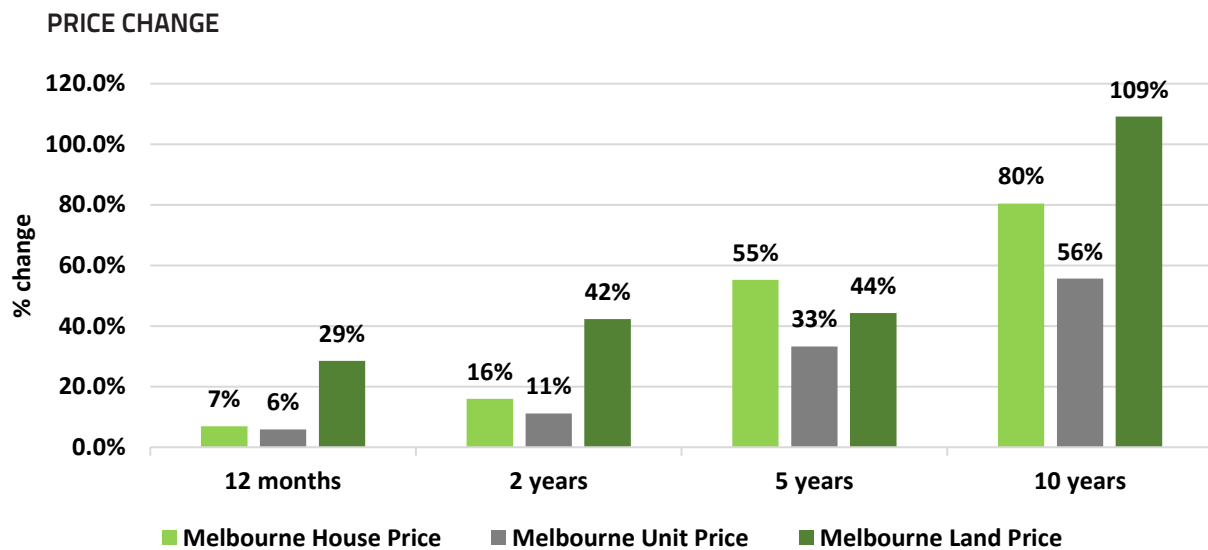
- **The established housing market to date remains robust** when compared to other states with approximately 44,177 auctions held in Victoria during the twelve months to November 2017, with a clearance rate of 75.7% (REIV).
- The number of **auction sales during the twelve months to November 2017 is 13.5% higher than the corresponding period a year earlier, where the clearance rate was 73.6% (REIV).**

At December quarter 2017 preliminary data recorded;

- House price of \$821,000 (+1.1% from the previous quarter, and +6.9% from the corresponding quarter a year earlier)
- Unit price of \$594,500 (+1.2% from the previous quarter, +5.9% from the corresponding quarter a year earlier)
- Land price of \$303,000 (+5.2% from the previous quarter, +28.5% from the corresponding quarter a year earlier)



Source: REIV, RPM Research Division



Source: REIV, RPM Research Division



## ECONOMIC MARKET UPDATE

- Australia's Gross Domestic Product (GDP) in September quarter 2017 (the latest available data) increased by 0.6% from the corresponding figure in the previous quarter. This led to growth of annual GDP to September 2017 improving to 2.24%.** Exports and public investment are two sectors of the economy driving growth in economic activity.
- However, GDP growth remains below the long term trend. Private consumption growth is moderate in the face of low wage growth, while weak business investment persists. Moreover, a previous growth driver for the economy in dwelling investment has stabilised through 2017, resulting in annual growth to just 0.63% at September 2017.
- Nevertheless, growth in the Victorian economy has outperformed the national average, with annual State Final Demand (SFD) at September 2017 being 4.70% higher than the same figure at September 2016.** This places **Victoria second**, behind Northern Territory (5.90%).

- Victoria experienced strong annual growth of 4.60%** in the number of employed persons at December 2017. This was also the second highest employment growth rate amongst all states and territories. However, the **unemployment rate at December 2017 of 6.1% was above the national rate of 5.5%**, likely attributed to the closure of the car manufacturing industry.

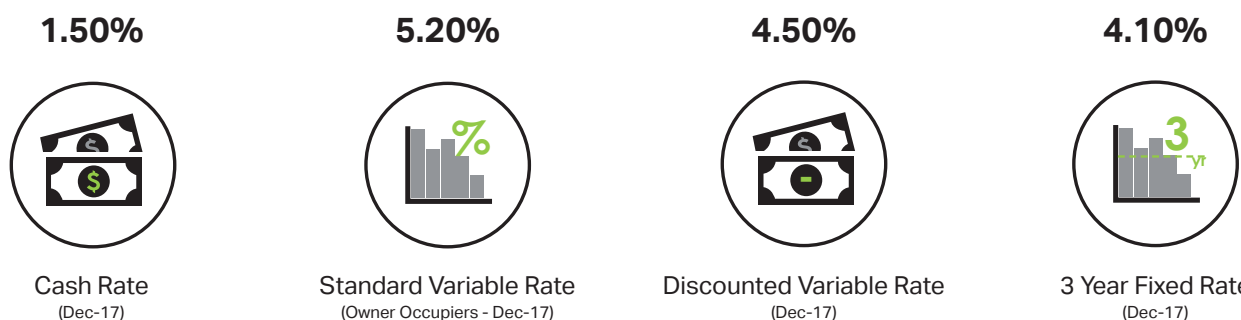


Source: Australian Bureau of Statistics

## INTEREST RATE

- After reducing the cash rate by 25 basis points in both May and August of 2016, the RBA has made no further changes in following fifteen monthly meetings, **leaving the cash rate at a historical low of 1.50%**. This persistent low interest rate environment has been attributed to below trend economic growth and low wage growth resulting in weak inflationary pressures.
- Moreover, slowing house price growth in Sydney and Melbourne and residential investment lending has removed the requirement for the cash rate to rise in the short term. Nevertheless, additional cuts to the cash rate are unlikely, with the next RBA move in the cash rate still likely to be up.
- APRA's directive for banks to limit the flow of new interest only lending to 30% of new residential mortgage lending and subsequent strict criteria for allowing interest only loans to have a LVR of above 80%, resulted in higher borrowing rates for interest

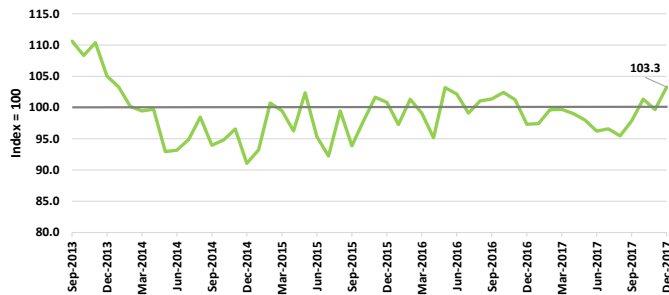
- only loans for both owner occupiers and investors to entice borrowers to move to principal and interest loans.
- The **official standard variable interest rate for owner occupiers sits at 5.20% (while investor loans sits at 5.80%)**. However, with some bargaining owner occupiers can obtain a **discounted interest rate of 4.50% (investors can obtain 5.10%)** from the major lenders. Furthermore, some banks outside of the 'big four' currently have introductory rates of 3.65% for owner occupiers who pay principal and interest.



Source: Reserve Bank Australia

## CONSUMER SENTIMENT

The Westpac-Melbourne Institute Consumer Sentiment Index is the most widely quoted barometer of consumer sentiment in Australia. A score of greater than 100 means that optimists outnumber pessimists, with readings of below 100 indicating that pessimistic consumers are in the majority

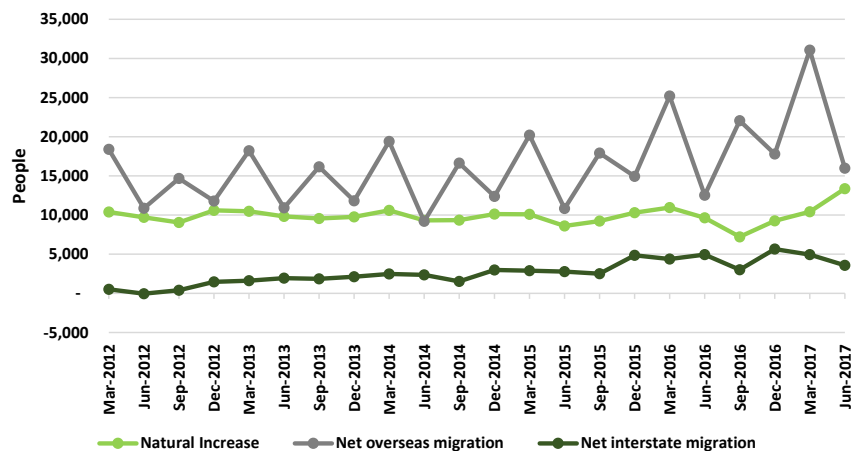


Source: Westpac-Melbourne Institute Consumer Sentiment Index

- The **Westpac-Melbourne Institute Consumer Sentiment Index has improved in December 2017, rising to 103.3**. Notably, this was the Index's highest monthly reading in four years, with the improvement in consumer sentiment showing up in a recovery in retail spending.
- However, many households are still concerned about family finances, in response to high debt levels. This will limit the ability for consumers to deplete savings further, and halt any continued recovery in spending.

## VICTORIAN POPULATION

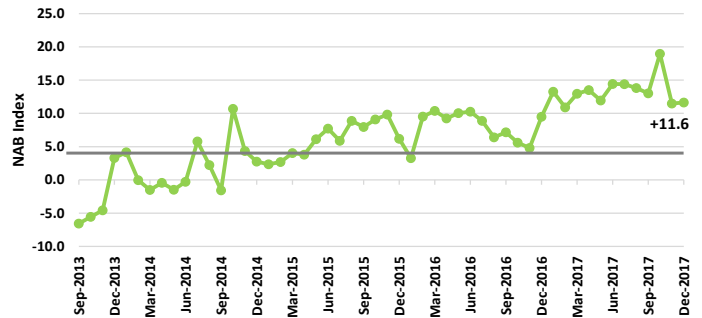
Victoria gained 32,932 people during June quarter 2017 (latest available data), lifting its estimated resident population to 6,323,606 people. This equated to a population increase of 144,357 people or 2.34% growth in Victoria over the twelve months to June 2017, which were both the strongest in absolute terms and percentage terms amongst all states and territories.



Source: Australian Bureau of Statistics

## BUSINESS CONDITIONS

NAB's Business Survey has been tracking Australian business confidence levels for more than two decades. Businesses are approached quarterly, with two smaller monthly surveys conducted in the intervening months to capture changes on a more regular basis. The panel now exceeds 2,700 businesses.



Source: National Australia Bank Business Survey

- Growth in business conditions has largely remained solid from the middle of 2015, with the **December 2017 result of an 11.6 percentage point increase continuing the double digit monthly rises since December 2016**.
- The lift in overall business conditions in December quarter 2017 was attributed to stronger trading conditions and profitability.
- Strong business conditions are present across most major industry groups, with the construction industry is particularly buoyant, attributed to a large pipeline of residential construction work.
- Business conditions are also robust across all states, with the Victorian index recording a 13 percentage point increase.

## POPULATION COMPONENTS

A breakdown of the three components of population growth shows that in June quarter 2017 Victoria recorded;



**+38.5%\***

+40,274 persons over the 12 months to June 2017 (+0.4%). Reflects 28% of the national natural increase



**-27.8%\***

+17,182 persons over the 12 months to June 2017 (+2.9%).



**+27.6%\***

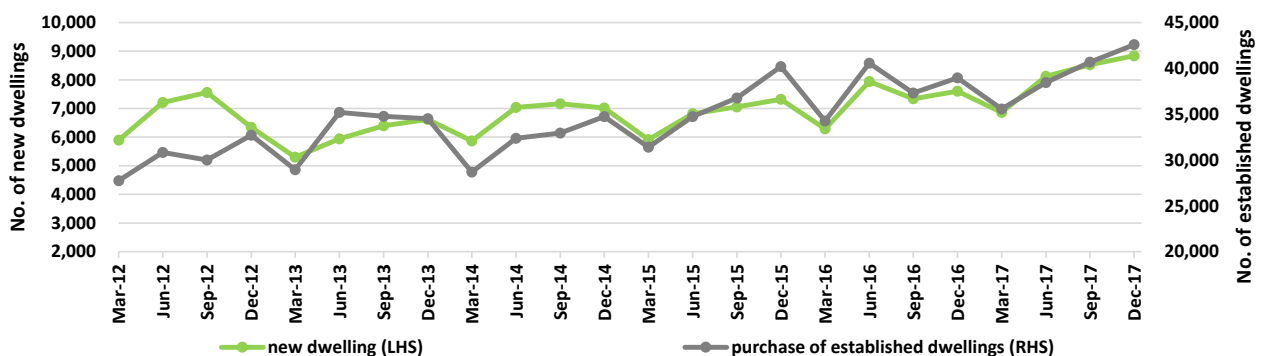
+86,901 persons over the 12 months to June 2017 (+23.1%). Reflects 35% of the national intake

\* Increase on same quarter of the previous year

## FINANCE ACTIVITY - VICTORIA

### LOANS BY DWELLING TYPE

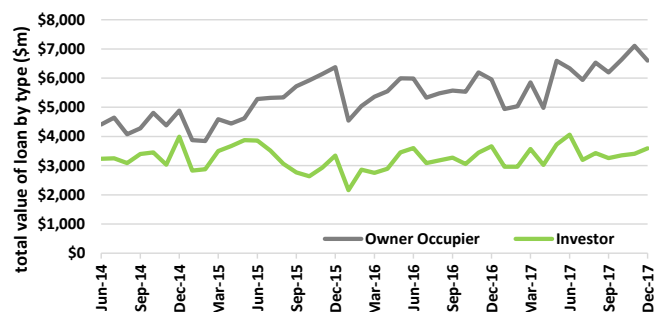
- Victoria is experiencing record levels of owner occupation lending, with 51,422 new loans approved during December quarter 2017. Buoyant owner occupation demand has been underpinned by strong population growth and historical low borrowing costs. As a result, the number of new owner occupier loans escalated by 10.4% from the same period in 2016.
- In December quarter 2017, compared to the previous corresponding period, new owner occupation loans for **newly constructed dwellings and recently constructed dwellings** (but have not been lived in) **increased by a sizeable 16.2%, and by 10.4% for established dwellings**. Established dwellings accounted for a relatively high 83% of total new owner occupation loans in the three month period.
- Overall, the number of **new owner occupation loans during calendar 2017 in Victoria was also a record at 189,659 loans**, which was 5.2% above the number of similarly financed dwellings over calendar 2016.



Source: Australian Bureau of Statistics

## VALUE OF LOANS BY PURCHASER TYPE

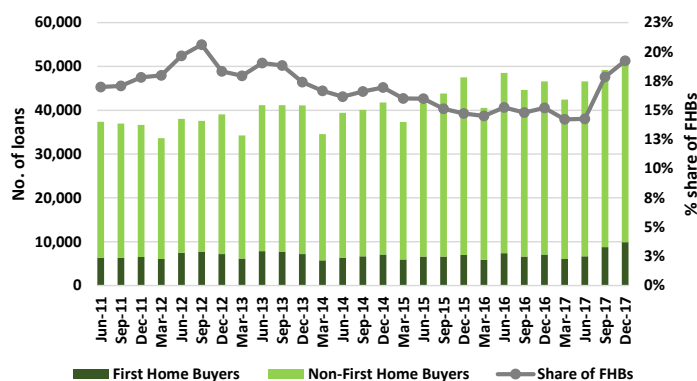
- The total value of new owner occupier loans in December quarter 2017 escalated by 15.0% compared to the previous corresponding period. This was primarily attributed to the substantial 28.5% growth in the median lot price over calendar 2017, with owner occupier loans for new dwellings increasing at a greater rate compared to that for established dwellings. This reflects a shift in demand to the relatively more affordable outer metropolitan areas, and also to new housing in developments in the greenfields.
- The total value of loans to investors in December quarter 2017 was 1.9% higher compared to the same period in 2016. This growth rate has eased through 2017, in response to Australian Prudent Regulation Authority (APRA) directives of ensuring residential investor lending growth remains below the 10% cap and to limit the number of new interest only lending to 30% of new residential mortgage lending. However, the value of investor loans is still increasing, with investors being able to obtain finance through second tier banks, and also major banks feeling more comfortable to lend to investors whilst complying with APRA directives.



Source: Australian Bureau of Statistics

## NUMBER OF LOANS TO FIRST HOME BUYERS AND NON-FIRST HOME BUYERS

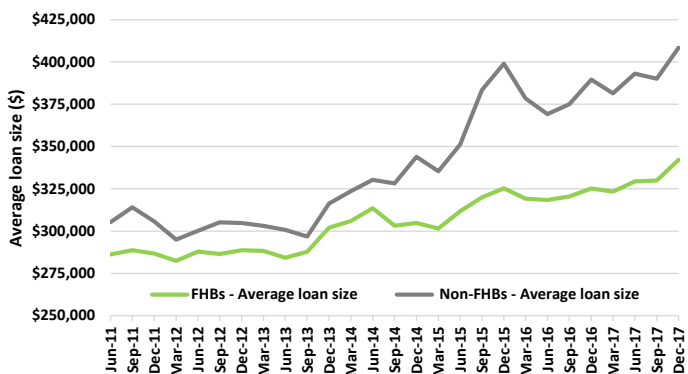
- The number of loans attributed to first home buyers reached 9,892 loans over December quarter 2017, which was a substantial 39.7% higher than first home buyer loans in the same period in 2016. This was the highest quarterly total of first home buyer loans since December quarter 2009 when the Federal Government's first home owner boost scheme was in place.
- This surge in first home buyer demand was attributed to the two Victorian Government initiatives beginning July 2017 of abolishing stamp duty for first home buyers when purchasing a dwelling of up to \$600,000 in value, and for owner occupation, and the doubling of the first home buyer grant to \$20,000 when purchasing a new dwelling outside of Greater Melbourne.
- Dwellings financed to non-first home buyers recorded 41,530 loans during December quarter 2017, reflecting a 5.2% increase on the same quarter in the previous year.
- The escalation in first home buyer demand resulted in their share of total loans improving to its highest proportion in four years of 19%. Considering the number of dwellings financed to non-first home buyers also increased, this further highlights the significant boost the two Victorian Government initiatives have had on first home buyer demand.



Source: Australian Bureau of Statistics

## AVERAGE LOAN SIZE – FIRST HOME BUYERS AND NON-FIRST HOME BUYERS

- The average loan size to first home buyers in December quarter 2017 increased by 5.2% from the previous corresponding period, while the average loan size to non-first home buyers escalated by 4.8%.
- After narrowing during the first half of calendar 2016, the divergence between the average loan amount to first home buyers and non-first home buyers has widened again through financial year 2017, with this difference being relatively large.
- At December 2017, the average loan size attributed to a non-first home buyer was \$408,400, \$66,200 above the average loan size to a first home buyer (\$342,200).

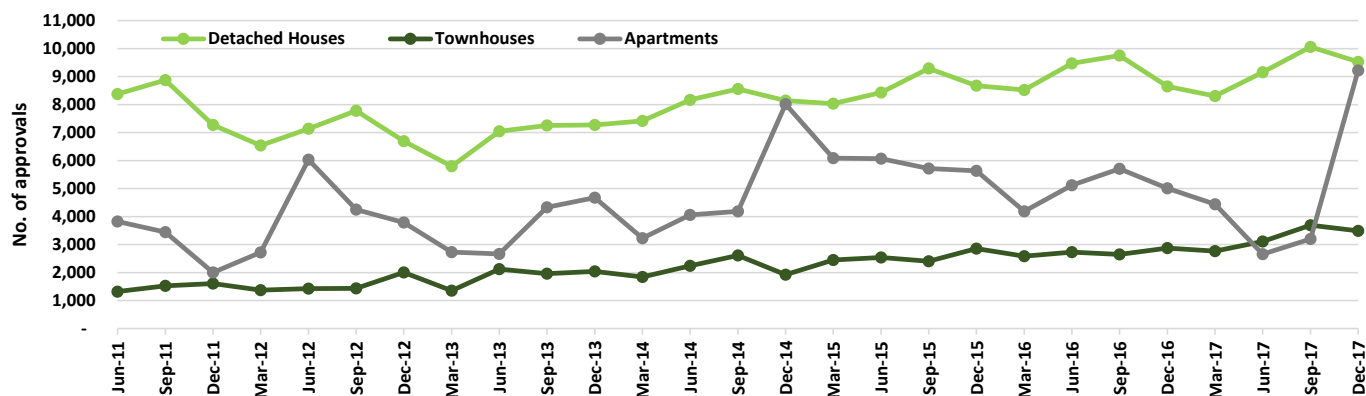


Source: Australian Bureau of Statistics

## BUILDING ACTIVITY - VICTORIA

### APPROVALS

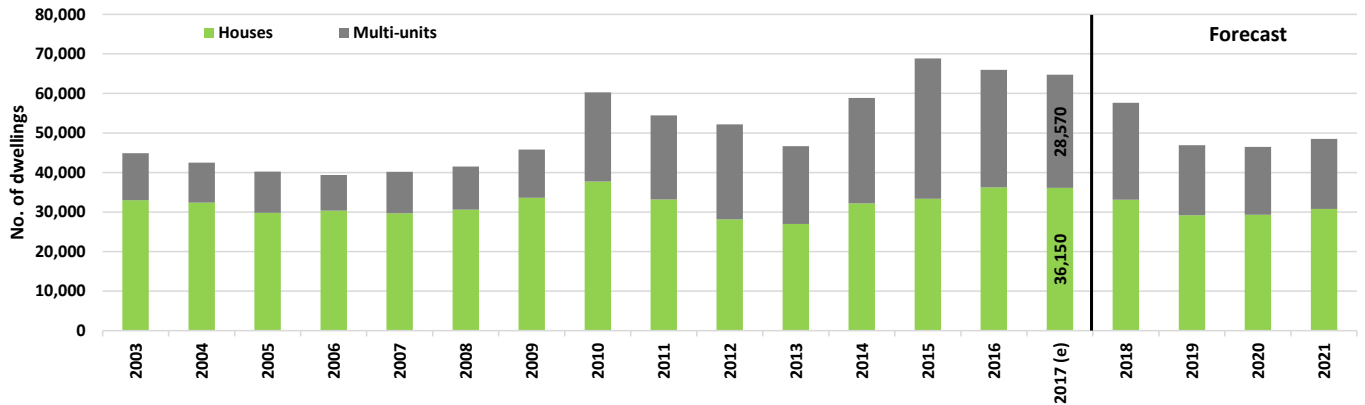
- Victoria recorded a long term high of 22,241 dwelling approvals in December quarter 2017, representing a significant escalation of 34.5% on dwelling approvals in the same quarter in 2016. This reversed the trend through the first three quarter periods of 2017 of approvals being lower than their previous corresponding quarter, and also resulted in **total approvals in calendar 2017 in Victoria being 3.6% higher than in calendar 2016, at 69,642 dwellings.**
- **New detached house recorded a solid 9,525 approvals in December quarter 2017**, which reflected growth of 10.1% on new detached house approvals in the same quarter in 2016.
- However, a **considerable 103% annual surge in approvals of flats/units/apartments in buildings of 4 storeys and higher** in December quarter 2017 to 8,931 dwellings was primarily responsible for the long term high in total dwelling approvals. This quarterly result was largely driven by the record monthly high of November which accounted for more than half of this quarterly figure.
- This outcome flies in the face of current market sentiment that there is a glut of apartments in the market. It should be noted that these are approvals and there is no certainty that they turn into commencements. In addition, the conversion of high rise dwelling approvals to commencements are historically lumpy in the project pipeline. If they do all come on line, some price softness could occur if population growth does not continue at its current level.
- **During calendar 2017, there were 37,048 new detached houses approved, reflecting a 1.8% increase** on house approvals during calendar 2016. Over the same period, approvals of semi-detached/row/terrace houses and townhouses increased by a sizeable 20.7%, although flat/unit/apartment approvals still declined by 2.5% despite the record approval numbers in December quarter 2017.



Source: Australian Bureau of Statistics

## COMMENCEMENTS

- Detached house commencements in **Victoria** are currently at cyclically peak levels, with **36,260 house starts in calendar 2016, and 36,150 house starts estimated in calendar 2017**.
- **In calendar 2018, detached house commencements are projected to be 8.4% lower**, although still relatively high at **33,100 starts**. However, **detached house starts are forecast to contract by a further 11.8% in calendar 2019**, before edging higher during the following two years to 2021.
- **The peak in multi-unit dwelling commencements of 35,490 starts occurred earlier in calendar 2015**, with construction activity declining since. **It is estimated that 28,570 multi-unit dwellings were commenced in calendar 2017**, 19% below the peak two years prior.
- A further **38% contraction in multi-unit dwelling starts is forecast over the next two years**, with commencements also diminishing to half the peak level in 2015, equating to an anticipated construction of **17,710 multi-unit dwellings in calendar 2019**.



Source: Housing Industry Association