

MEDIA RELEASE

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STIMULUS PACKAGE WELCOMED BY HOUSING INDUSTRY

The Federal Government's stimulus package is a welcome step to rebuilding consumer confidence and business continuity during the coronavirus, according to the Urban Development Institute of Australia (UDIA).

UDIA National – the nation's peak organisation for the urban development industry – said the stimulus should help maintain cash flow, jobs and business activity across the economy.

It also urged Government to reserve the capacity to introduce a second round of stimulatory measures if the economic effects become worse.

"The economy-wide risks from the coronavirus are not yet fully known, but there are clear signs already that growth is being dampened," said UDIA National Executive Director Connie Kirk.

"The need to sustain access to capital and consumer confidence is essential given there were already signs that the economy was facing some headwinds regardless of the coronavirus.

"Housing markets remain vulnerable to the effects of broader economic risks and there is evidence that supply chains for developers and builders are being hurt.

"It is too early to test the full effects on housing markets, but they are exposed to consumer confidence and employment, so efforts to shore up the broader economy can only be helpful.

"The economic downturn comes at a time when housing markets had started to show some signs of life across lending and pricing, but the recovery was not yet widespread.

"In particular, approval and construction pipelines are thin, and the risk is we see them soften further should signs of a buyers retreat emerge.

"We hope the Government keeps an open mind as the economic, effects of the health crisis continue to unfold, on other measures that can assist in support of investment, jobs and wages.

"Housing and construction provide 7.5 percent of the nation's growth and 750,000 direct and indirect jobs so the sector's wellbeing should be a prime concern for policy makers."

Potential initiatives could include:

- Releasing a second tranche of the First Home Loan Deposit Scheme that is exclusively geared towards people buying newly-constructed homes to help supply and activity
- Accelerating funding of large and small infrastructure projects identified by the Infrastructure Australia Priority List released last month
- Red tape reforms such as streamlining elements of the Environment Protection and Biodiversity Conservation (EPBC) Act and working with states and territories on fixing planning barriers.