

# MONTHLY ECONOMIC SNAPSHOT

## ECONOMIC OVERVIEW

- Construction work done across Australia totalled \$210.2 billion over the year to March 2019, a reduction of 6.0% on a year earlier.
- For the second consecutive month, the RBA cut its official cash rate by 25 basis points on 2nd July to bring it to a new all-time low of 1.00%.
- At 1.8%, the annual rate of GDP growth is at its lowest in a decade – the inflation rate (+1.3%) is also very subdued.
- The pace of job creation is still very robust, although the unemployment rate has crept up a little.
- Total construction employment is still well over 1 million, accounting for 9.1% of jobs in the economy.
- House prices continue to fall in most capitals, although the overall speed of decline has slowed.
- Rental price growth is at a 26-year low with an increase of just 0.4% over the year to June 2019.
- Australia's population rose by 1.6% during 2018, with overseas migration being the main driver of the 405,000 increase.

GENERAL ECONOMIC INDICATORS											
			NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
<b>LABOUR MARKET</b>											
Unemployment Rate	May 2019	%	4.6%	4.6%	6.2%	5.7%	6.3%	6.4%	4.5%	3.9%	5.2%
	May 2018	%	4.9%	5.0%	6.2%	5.7%	6.3%	6.6%	4.0%	3.7%	5.4%
Employment Growth Rate	Year to May 2019	%	3.7%	4.9%	3.2%	1.5%	1.9%	-6.2%	-8.9%	0.4%	3.1%
Jobs Created	Year to May 2019	#	167,635	125,197	55,134	16,281	5,712	-457	-9,178	719	360,261
Full-time Job Share	May 2019	%	69.0%	67.7%	68.8%	64.1%	68.8%	60.4%	78.0%	73.0%	68.3%
Construction Employment	May 2019	#	371,333	316,184	236,993	78,070	129,325	22,245	9,030	20,006	1,183,185
Construction Employment: Share of Total (%)	May 2019	%	8.9%	9.3%	9.4%	9.1%	9.5%	8.9%	7.0%	8.7%	9.1%
<b>PRICES</b>											
House Price Growth	Year to June 2019	%	-10.8%	-11.8%	-2.5%	-0.5%	-9.0%	3.2%	-9.4%	2.4%	-7.4%
Rental Price Growth	Year to June 2019	%	0.7%	1.6%	0.2%	1.1%	-5.2%	5.4%	-4.4%	3.0%	0.4%
<b>POPULATION</b>											
Population Growth Rate	Year to December 2018	%	1.6%	2.2%	1.8%	0.8%	0.9%	1.2%	-0.4%	1.8%	1.6%
Gain in Population	Year to December 2018	#	123,813	139,430	89,905	14,585	23,961	6,499	-1,010	7,574	404,783
Net Overseas Migration	Year to December 2018	#	91,999	85,965	35,039	13,319	14,863	2,717	526	4,014	248,446
Overseas Migration as % of Total Population Growth	Year to December 2018	%	74.3%	61.7%	39.0%	91.3%	62.0%	41.8%	52.1%	53.0%	61.4%
Interstate Migration	Year to December 2018	#	-21,897	13,209	23,796	-4,224	-9,503	2,522	-4,216	313	NIL
<b>INTEREST RATES</b>											
RBA Official Cash Rate	July 2019	%	1.00%								
Standard Variable Mortgage Interest Rate (Owner Occupier)	June 2019	%	5.15%								
Standard Variable Mortgage Interest Rate (Housing Investor)	June 2019	%	5.73%								
Interest Rate on Small Overdrafts to Small Businesses	June 2019	%	8.55%								
3-Year Fixed Mortgage Interest Rate (Owner Occupiers)	June 2019	%	3.92%								

Source: Australian Bureau of Statistics; CoreLogic; Reserve Bank of Australia

# COMMERCIAL BUILDING AND CIVIL/ENGINEERING CONSTRUCTION

- The volume of commercial building work done across Australia totalled \$43.15 billion over the year to March 2019, an increase of 3.2% on the previous year.
- A total of \$44.1 billion worth of commercial building work was approved over the year to May 2019, 5.7% higher than a year earlier.
- At the end of March 2019, \$60.09 billion worth of commercial building projects were under construction, 8.2% more than a year earlier.
- In the Civil & Engineering Construction area, work done totalled \$89.47 billion over the year to March 2019 which was 12.4% lower than a year earlier.
- A total of \$72.37 billion worth of civil and engineering work was still outstanding at the end of March 2019.

COMMERCIAL BUILDING & CIVIL/ENGINEERING CONSTRUCTION ACTIVITY											
			NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Volume of Commercial Building Work Done	Year to March 2019	\$bn	\$14.15	\$13.08	\$7.00	\$2.55	\$3.82	\$0.71	na	\$1.22	\$43.15
	Change on 12 Months Earlier (%)	%	↑ 12.8%	↑ 10.7%	↓ -12.1%	↑ 8.8%	↓ -21.4%	↑ 20.3%	na	↑ 18.3%	↑ 3.2%
Commercial Building Work Approved	Year to May 2019	\$bn	\$15.64	\$13.07	\$7.71	\$2.16	\$3.36	\$0.70	\$0.50	\$1.10	\$44.09
	Change on 12 Months Earlier (%)	%	↑ 23.7%	→ 1.9%	↑ 14.8%	↓ -10.0%	↓ -4.2%	↓ -47.3%	↓ -34.4%	↓ -5.6%	↑ 5.7%
Value of Commercial Building Work under Construction	On 31 Mar 2019	\$bn	\$25.52	\$16.04	\$6.85	\$3.63	\$5.00	\$1.13	\$0.66	\$1.28	\$60.09
	Change on 12 Months Earlier (%)	%	↑ 26.5%	↑ 5.2%	↓ -18.9%	↑ 10.9%	→ 0.7%	↑ 29.6%	↓ -37.5%	↓ -14.5%	↑ 8.2%
Value of Commercial Building Work Yet to Be Done	On 31 Mar 2019	\$bn	\$13.05	\$7.99	\$3.12	\$1.82	\$2.19	\$0.44	\$0.30	\$0.70	\$29.61
	Change on 12 Months Earlier (%)	%	↑ 19.5%	↓ -5.1%	↓ -16.9%	↓ -13.9%	↓ -7.0%	↓ -5.1%	↓ -36.4%	↓ -3.8%	→ 1.3%
Total Volume of Building Work Done	Year to March 2019	\$bn	\$41.48	\$37.88	\$20.00	\$6.03	\$9.69	\$1.61	\$0.97	\$3.03	\$120.72
	Change on 12 Months Earlier (%)	%	↑ 6.3%	↑ 9.6%	↓ -9.2%	↑ 7.2%	↓ -11.4%	↑ 20.3%	↓ -5.4%	↑ 16.7%	↑ 3.0%
Total Value of Building Work Yet to Be Done	On 31 Mar 2019	\$bn	\$13.05	\$7.99	\$3.12	\$1.82	\$2.19	\$0.44	\$0.30	\$0.70	\$29.61
	Change on 12 Months Earlier (%)	%	↑ 19.5%	↓ -5.1%	↓ -16.9%	↓ -13.9%	↓ -7.0%	↓ -5.1%	↓ -36.4%	↓ -3.8%	→ 1.3%
Civil & Engineering Construction Work Done	Year to March 2019	\$bn	\$24.36	\$16.91	\$20.81	\$6.36	\$16.17	\$1.43	\$2.57	\$0.82	\$89.47
	Change on 12 Months Earlier (%)	%	→ -1.2%	↓ -12.1%	↓ -8.9%	↑ 8.4%	↓ -22.8%	↑ 13.5%	↓ -74.0%	↓ -25.7%	↓ -12.4%
Value of Civil & Engineering Work Started	Year to March 2019	\$bn	\$26.93	\$16.14	\$17.69	\$5.77	\$24.05	\$1.60	\$0.95	\$0.53	\$93.65
	Change on 12 Months Earlier (%)	%	↑ 76.5%	↓ -77.5%	↓ -14.5%	↓ -9.4%	↑ 66.5%	↓ -30.0%	↓ -31.6%	↓ -33.8%	↓ -20.8%
Value of Civil & Engineering Work Yet to Be Done	On 31 March 2019	\$bn	\$20.73	\$15.87	\$8.63	\$2.32	na	\$1.01	na	\$0.21	\$72.37
	Change on 12 Months Earlier (%)	%	↑ 28.6%	→ -1.6%	↓ -14.2%	↓ -37.7%	na	↑ 30.9%	na	↓ -45.7%	↑ 20.0%
Total Value of Building Approved	Year to May 2019	\$bn	\$38.01	\$36.58	\$19.73	\$5.38	\$8.69	\$1.71	\$0.85	\$3.30	\$114.06
	Change on 12 Months Earlier (%)	%	↓ -6.5%	↓ -14.5%	↓ -7.0%	↓ -17.4%	↓ -6.6%	↓ -21.4%	↓ -21.6%	↓ -2.6%	↓ -10.6%
Total Volume of Construction Work Done	Year to March 2019	\$bn	\$65.83	\$54.78	\$40.82	\$12.40	\$25.86	\$3.04	\$3.54	\$3.85	\$210.20
	Change on 12 Months Earlier (%)	%	→ 1.7%	→ -1.4%	↓ -10.3%	→ 0.8%	↓ -19.3%	↑ 14.1%	↓ -65.3%	↑ 2.7%	↓ -6.0%

Source: Australian Bureau of Statistics

# RESIDENTIAL BUILDING ACTIVITY

- A total of 209,664 new dwellings were commenced over the year to March 2019 which was a 7.5% reduction on a year earlier but still elevated by historic standards.
- Detached houses accounted for a slight majority (55.7%) of the new dwelling starts over the year.
- Over the past year, the drop in apartment/unit starts (-12.4%) has been much larger than the fall in detached house commencements (-2.8%).
- At the end of March 2019, a total of 216,551 new homes were still under construction with a further 33,752 awaiting commencement having already received official approval.
- The value of home renovations work done during the year to March 2019 was \$36.32 billion, a drop of 3.0% on a year earlier.
- First Home Buyers accounted for 26.9% of owner occupier home loans over the year to May 2019.
- Over the year to May 2019, housing investor loans totalled \$60.59 billion, down by 25.5% on a year earlier.

RESIDENTIAL BUILDING ACTIVITY											
			NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Total New Dwelling Starts	Year to March 2019	#	67,365	66,484	39,130	10,663	15,376	3,000	679	6,715	209,664
	Change on 12 Months Earlier (%)	%	↓ -5.8%	↓ -8.1%	↓ -8.4%	↓ -19.6%	↓ -18.6%	↑ 12.9%	↓ -29.0%	↑ 56.2%	↓ -7.5%
Detached House Starts	Year to March 2019	#	30,496	38,301	23,534	7,693	12,032	2,693	533	1,437	116,701
	Change on 12 Months Earlier (%)	%	↑ 2.3%	→ 0.1%	↓ -10.9%	↓ -2.9%	↓ -14.2%	↑ 30.2%	↓ -13.5%	↑ 39.8%	↓ -2.8%
Apartments/Unit Starts	Year to March 2019	#	36,869	28,183	15,596	2,970	3,344	307	146	5,278	91,784
	Change on 12 Months Earlier (%)	%	↓ -11.6%	↓ -17.4%	↓ -4.4%	↓ -44.4%	↓ -31.3%	↓ -48.0%	↓ -57.1%	↑ 61.4%	↓ -12.4%
Detached House Share of Total New Dwelling Starts	Year to March 2019	#	45.3%	57.6%	60.1%	72.1%	78.3%	89.8%	78.5%	21.4%	55.7%
Approvals for New Homes	Year to May 2019	#	59,483	60,128	34,442	11,036	16,048	3,204	654	6,728	192,101
	Change on 12 Months Earlier (%)	%	↓ -29.4%	↓ -21.5%	↓ -29.2%	↓ -27.2%	↓ -23.8%	↓ -3.5%	↑ 12.0%	↓ -19.3%	↓ -20.7%
Approvals for Detached Houses	Year to May 2019	#	27,911	37,030	22,158	7,935	12,362	2,933	524	1,296	112,155
	Change on 12 Months Earlier (%)	%	↓ -20.9%	↓ -18.8%	↓ -24.0%	↓ -2.3%	↓ -5.8%	↑ 9.8%	↓ -26.3%	↓ -33.2%	↓ -17.6%
Approvals for Apartments/Units	Year to May 2019	#	31,572	23,098	12,284	3,101	3,686	271	130	5,432	79,947
	Change on 12 Months Earlier (%)	%	↓ -21.9%	↓ -42.5%	↓ -32.9%	↓ -55.4%	↑ 4.8%	↑ 44.4%	↑ 24.0%	↓ -17.6%	↓ -29.4%
Value of Home Renovation Approvals	Year to May 2019	\$bn	\$2.65	\$2.73	\$1.70	\$0.43	\$0.54	\$0.13	\$0.11	\$0.15	\$8.44
	Change on 12 Months Earlier (%)	%	→ -1.5%	→ -1.9%	↑ 10.9%	→ -1.2%	↓ -11.5%	→ 1.7%	↑ 7.4%	↑ 199.0%	↑ 2.2%
Total Volume of Residential Building Work Done	Year to March 2019	\$bn	\$27.33	\$24.79	\$13.00	\$3.48	\$5.87	\$0.89		\$1.81	\$77.57
	Change on 12 Months Earlier (%)	%	↑ 3.3%	↑ 9.0%	↓ -7.6%	↑ 6.0%	↓ -3.4%	↑ 20.3%		↑ 15.6%	↑ 2.9%
Number of Dwellings Under Construction	On 31 Mar 2019	#	82,292	72,867	29,847	9,093	12,134	2,206	659	7,454	216,551
	Change on 12 Months Earlier (%)	%	↓ -8.4%	→ -1.2%	↓ -14.0%	↓ -15.9%	↓ -14.6%	→ 10.6%	↓ -34.1%	↑ 46.2%	→ -6.4%
Number of New Dwellings Awaiting Commencement	On 31 Mar 2019	#	16,137	5,893	3,694	3,976	2,305	448	66	1,233	33,752
	Change on 12 Months Earlier (%)	%	↓ -23.2%	↓ -24.2%	↓ -35.2%	↑ 19.8%	↑ 5.2%	↑ 25.5%	↓ -31.3%	↑ 66.4%	↓ -18.1%
Value of Home Renovations Work Done	Year to March 2019	\$bn	\$12.47	\$9.14	\$7.73	\$2.22	\$3.33	\$0.58	\$0.34	\$0.50	\$36.32
	Change on 12 Months Earlier (%)	%	↓ -11.1%	↓ -4.7%	↑ 15.8%	↓ -11.4%	→ -1.8%	↓ -4.2%	↑ 17.3%	↓ -7.1%	↓ -3.0%
Number of Loans to First Home Buyers	Year to May 2019	#	27,437	33,314	21,539	6,046	14,256	1,991	914	2,038	107,603
	Change on 12 Months Earlier (%)	%	→ 0.3%	↓ -5.6%	↓ -12.3%	↑ 6.8%	↓ -11.3%	↑ 18.9%	↑ 19.0%	↓ -25.8%	↓ -5.7%
First Home Buyers as % of Total Owner Occupier Loans	Year to May 2019	%	◆ 23.9%	▲ 29.2%	◆ 26.5%	◆ 21.6%	● 35.2%	◆ 21.3%	● 38.5%	◆ 22.3%	◆ 26.9%
	Year to May 2018	%	20.6%	27.2%	26.6%	19.6%	35.2%	18.5%	28.7%	27.0%	25.3%
Value of Housing Investment Loans	Year to May 2019	\$bn	\$29.00	\$17.16	\$6.94	\$2.48	\$2.83	\$0.67	\$0.20	\$1.31	\$60.59
	Change on 12 Months Earlier (%)	%	↓ -28.6%	↓ -24.4%	↓ -19.0%	↓ -15.8%	↓ -26.5%	↓ -4.0%	↓ -31.0%	↓ -18.7%	↓ -25.5%

Source: Australian Bureau of Statistics