

Home building in the NT is forecast to grow

Media release

"The outlook for dwelling commencements in the Northern Territory is set to recover in 2024/25 from low levels," stated HIA Executive Director – Northern Territory, Luis Espinoza.

Monday, 13th May 2024

HIA released its Economic and Industry Outlook report on Friday. The report includes updated forecasts for new home building and renovations activity nationally and for each of the eight states and territories.

"Dwelling commencements in the Northern Territory have been very weak in the second half of 2023. This is the first time in over three decades that quarterly commencements have fallen below 100," added Mr Espinoza.

"Total housing commencements are remarkably low at these levels, primarily driven by higher interest rates.

"A slightly stronger recovery is expected in the second half of 2024, on the back of improving economic conditions and government support, as the Territory's election time in August nears.

"A long-term recovery in home building requires a return of market confidence, growth in employment and population.

"Promises of infrastructure and mining projects can help improve the current state of the economy. There have been a couple of announcements in the last few weeks which might see some movement in the second half of 2024.

Mr Espinoza also said that the announcement and awarding for the development of the new suburb of Greater Holtze will go some of the way in increasing housing supply

for local Territorians.

"HIA welcomes the announcement by the Chief Minister Eva Lawler of hundreds of lots ready with titles by the end of 2025.

"Building the Northern Territory's share of the Australian Government's 1.2 million homes target will require government action and an improvement in broader economic conditions," concluded Mr Espinoza.

Detached house commencements: There is forecast to be 450 detached homes that will commence construction in 2023/24, down by 12.8 per cent compared to the previous year and down by more than a third compared to the peak in 2020/21. This is expected to recover in subsequent years, to 730 in 2024/25, 920 in 2025/26, and 990 in 2026/27, which is forecast to be the peak of the decade.

Total dwelling commencements: Overall dwelling commencements are expected to rise by a modest 7.6 per cent in 2023/24, before mounting a stronger recovery in subsequent years. Dwelling commencements are expected to continue recovering, to reach over 1,600 in 2026/27.

HIA Forecasts

Source: HIA Economics

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