



the voice of the industry

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31 July 2012

Tasmanian Building Approvals Dive

The Housing Industry Association, the voice of Australia's home building industry, said that the June update to residential building approvals provides further cause for concern about the outlook for Tasmania's housing industry.

Conditions in the housing industry usually provide a good barometer for conditions in the broader Tasmanian economy – ***if the housing industry was the canary in the coal mine you would run for your life.***

In original terms the number of detached dwelling approvals in the June 2012 quarter was 27.5 per cent lower than the in June quarter of 2011. Multi-unit approvals also declined, approvals in the three months to June 2012 were 34.3 per cent lower than during the same period a year earlier.

Taking account of the very low starting point, the number of approvals remain alarmingly low despite the uptick in June with the three months to June 2012 providing a three month annualised level of only 2,088 approvals.

HIA Executive Director, Tasmania, Mr Stuart Clues said "this result reaffirms HIA's concerns, there have been only 2,120 dwelling approvals in the 2012 financial year which represents a 31 per cent fall year on year. This is the lowest level of approvals in any 12 month period since 2003. If the level of approvals we have recorded over the last 3 months was to persist throughout the remainder of the year we would risk building fewer than 2,000 homes in 2012."

"We are in serious danger of seeing activity drop back to levels last seen in the late 1990s. The government must overcome its resistance to reform," added Stuart Clues.

There are a large number of things the government could do to assist the construction industry that directly employs over 20,000 Tasmanians and its current policy framework is only serving to hinder the industry and increase the cost of housing across the state.

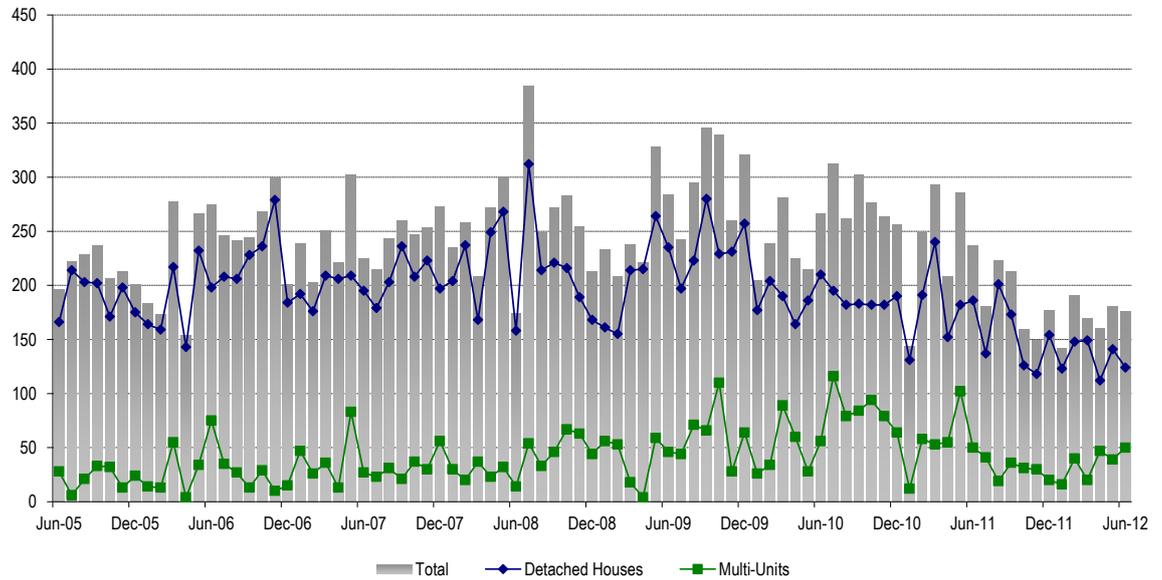


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Tasmania Monthly Dwelling Approvals

Source: ABS Building Approvals



For further information please contact:
Stuart Clues, Executive Director Tasmania

0438 319 753

