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FOR IMMEDIATE RELEASE

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MEDIA RELEASE

Victoria's Building Approvals Resume Downwards Slide

Residential building approvals declined in Victoria in March making the fifth decline in the previous seven months, said the Housing Industry Association, the voice of Australia's residential building industry.

HIA Executive Director, Victoria, Mr Gil King said "In the wake of persistent declines, another 5.0 per cent fall in building approvals in March 2012 reflects the tough conditions the industry is facing at present and precisely the reason I believe the State Government made the wrong decision in their abandonment of the First Home Buyers Boost."

"First home buyers have been a significant purchasing group of new homes in Victoria. In March 2010 they represented 35 per cent of all new home purchases. Aided by the boost over the past two years, first home buyers accounted for around 23 per cent of all new home buyers. Based on experiences in other states, Victoria could see some 40 per cent of the first home buyers buying new homes disappear in the medium term – around 4,000 new homes" added Mr King.

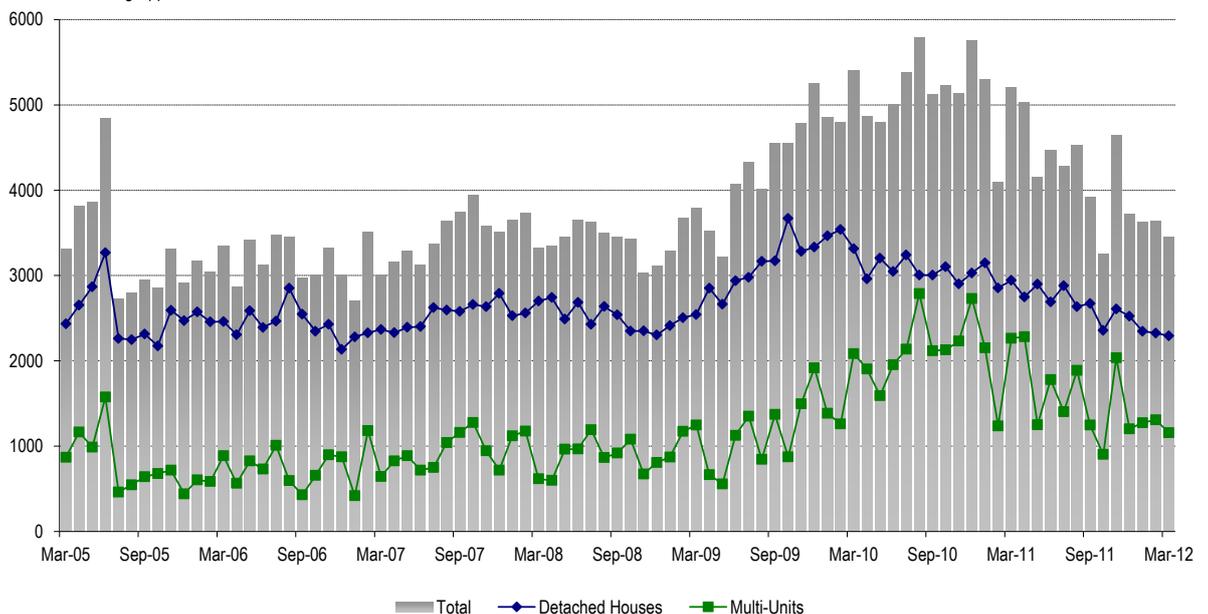
"Building approvals over the March quarter this year were down by 26.7 per cent compared with the March quarter of 2011," said Mr King.

"It had always been anticipated that dwelling approvals would recede from the highs we experienced through 2010 and early 2011, however we need to ensure housing supply continues to meet the needs of Victoria's growing population and if we are going to achieve this we need to put the brakes on this decline before it spirals out of control," said Mr King.

In the month of March 2012 seasonally adjusted detached house approvals eased by 1.4 per cent while approvals for other dwellings declined by a more substantial 11.4 per cent. Victoria moved against the national trend which saw a 7.4 per cent improvement in dwelling approvals. "This is of great concern given that Victoria has been the dominant state for new housing starts over such a long period," said Mr King

Victoria Monthly Dwelling Approvals

Source: ABS Building Approvals



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