



the voice of the industry

FOR IMMEDIATE RELEASE

MEDIA RELEASE

31 July 2012

Victorian Building Approvals: Last-hoorah as first home buyer incentives end

The Housing Industry Association, the voice of Australia’s home building industry, said that the June update to residential building approvals in Victoria posted a large decline from the high posted in May.

In June 2012 the total number of dwelling approvals in Victoria (seasonally adjusted) declined by 14.6 per cent although the final quarter of the 2011/12 financial year remained 20.6 per cent higher than the same period in 2011. The strength of the June 2012 quarter reflects the final rush of first home buyers seeking to make the most of the first home buyer incentives before the scheme lapsed.

The largest decline was recorded in the multi-unit sector which fell by 24.9 per cent in June. However, in a quarterly context there were 23.7 per cent more multi-unit approvals than there were in the corresponding quarter of 2011. A more modest monthly decline was recorded in the detached dwelling segment (down by 2.8 per cent), however in a quarterly context detached dwelling approvals in the June 2012 quarter were 15.5 per cent lower than during the June 2011 quarter.

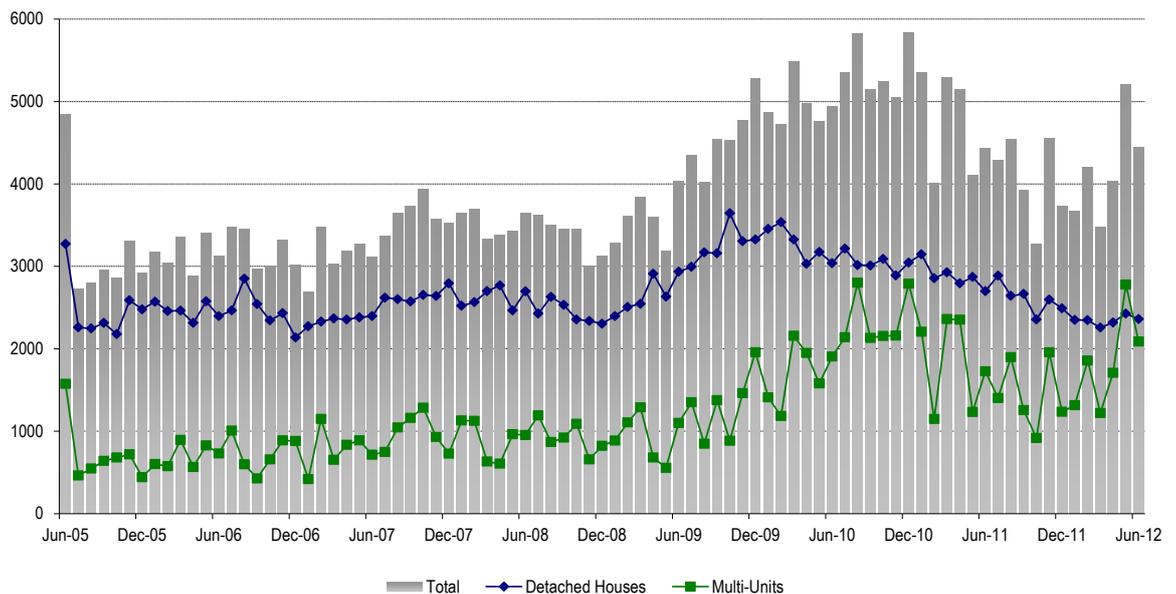
HIA Executive Director, Victoria, Mr Gil King said “the solid approval numbers we have seen in the last few months are unlikely to continue into the new financial year.”

“The real worrying trend is the steady decline of detached housing approvals. This decline has gone past the point where it could be interpreted as a ‘correction’ from the high levels of activity a couple of years ago.”

“Unfortunately, the Victorian Government’s decision to abruptly end the First Home Buyer Bonus will only exacerbate the decline in the state’s new home building levels. The absence of first home buyers is likely to leave a substantial hole in the market in the coming months,” added Mr King.

Victoria Monthly Dwelling Approvals

Source: ABS Building Approvals



For further information please contact:
Gil King, Executive Director, Victoria

0404 000 365