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FOR IMMEDIATE RELEASE

30 November 2017

Victoria Pushes Approvals Higher

"The headline number of new dwelling approvals rose again during October - the third consecutive month of expansion – a consequence of significant growth in Victoria," stated Shane Garrett, HIA Senior Economist.

"The ABS Building Approvals data report that the total number of new dwelling approvals rose by 0.9 per cent compared with September.

"This growth was underpinned by a 24.3 per cent increase in approvals in Victoria and 6.1 per cent growth in Queensland, which outstripped the declines in all other states.

"The remarkable growth in Victoria is the stand-out feature of the Australian housing market at the moment.

"Strong employment growth in Victoria is attracting interstate and international migration and the rising population is continuing to drive demand for more housing stock. The record supply of new apartments in the state has not been able to fully satisfy demand.

"Today's data are consistent with our latest forecasts which were released earlier this week. The short-term outlook for new home building has been upgraded.

"During 2018, we foresee an 8.2 per cent reduction in new dwelling starts followed by a decline of 10.0 per cent in 2019. This will mean that new home building activity will ease to levels that remain high by historic standards," concluded Mr Garrett.

The positive result was driven by new detached house approvals which saw a 1.9 per cent gain during October. Approvals on the multi-unit side dipped by 0.2 per cent during the month.

New dwelling approvals declined in five jurisdictions during October, with the largest fall affecting Western Australia (-17.8 per cent). There were also reductions in Tasmania (-13.1 per cent), South Australia (-8.4 per cent), New South Wales (-6.8 per cent) and the ACT (-5.3 per cent). Only two states experienced growth in new dwelling approvals during October 2017.

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