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FOR IMMEDIATE RELEASE

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15-Month High for New Home Approvals

“Approvals for new dwellings jumped by 11.7 per cent during November to reach their highest level since August 2016,” explained Shane Garrett, HIA Senior Economist.

“Growth was driven by multi-units which saw approvals expand by 28.7 per cent during the month. The number of new detached house approvals actually declined by 2.8 per cent in November but the number of approvals remains consistent with what we saw throughout 2017.

“Even though multi-unit approvals can vary hugely from month to month, the result for November is still remarkably robust given that building approval volumes have been trending down for some time.

“The geographic reach of November’s expansion was quite narrow with Melbourne’s booming market accounting for the lion’s share of the increase nationally. Victoria is easily the fastest growing state in terms of population – it is encouraging that new housing supply in the state is responding to the strongly growing demand.

“Newly-built dwellings are a vital component of the rental market – and properly functioning rental markets are crucial in accommodating employment growth and economic development. It is very important that taxation settings relating to investors continue to support the provision of adequate rental supply,” concluded Shane Garrett.

During November 2017, the largest increase in new dwelling approvals occurred in Victoria (+37.9 per cent), followed by Tasmania (+10.6 per cent) and Western Australia (+3.9 per cent). The largest reduction in home approvals affected the ACT (-21.8 per cent), followed by the Northern Territory (-3.2 per cent) and South Australia (-3.0 per cent). The volume of approvals was also down in Queensland (-2.4 per cent) and New South Wales (-2.3 per cent) during November.

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