



Apartment Boom Rolls On

“Apartment building has started the year with solid growth,” commented Shane Garrett, HIA’s Senior Economist.

Building Approval results were released today by the Australian Bureau of Statistics and report that new apartment approvals were up by 5.5 per cent during the three months to January 2018.

“Over the year to January 2018, new apartment approvals totalled 106,000 a very high level by historic standards. The annual volume of apartment approvals has been north of the 100,000 mark continuously since early 2015,” explained Shane Garrett.

“New building approvals remain strong in the Melbourne area. This market continues to be supported by high levels of inward migration – a result of the remarkably healthy labour market in the city. Melbourne’s ability to accommodate an expanding population so well has been a big factor in its recent economic success.

“Growth in building approvals in Western Australia for two successive months is also a further sign that the down phase of their building cycle ended along with 2017.

“New detached house approvals across Australia were largely unchanged over the three months to January 2018. The pipeline of activity on this side of the market also remains high and our expectation is that the market will continue to cool slowly over the year.

“The heavy obstacles placed in the way of foreign buyers over the past year and well as the possibility of interest rate rises later this year are still likely to drag new home building activity lower over the medium term,” concluded Shane Garrett.

During the three months to January 2018, Victoria saw the largest increase in new home approvals (+26.0 per cent) with growth also occurring in Tasmania (+7.0 per cent) and Queensland (+1.3 per cent). The ACT was hit by the largest decline in new dwelling approvals (-57.5 per cent), followed by the Northern Territory (-23.2 per cent) and South Australia (-11.2 per cent). There were also reductions in New South Wales (-10.2 per cent) and Western Australia (-1.2 per cent).

Monthly Building Approvals - Australia

Source: ABS 8731



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