



## Building Approvals: Is This a Trick or a Treat?

“Building approvals rebounded for the month of September, increasing by 7.6 per cent compared to the previous month but remain well below levels experienced in recent years,” stated HIA Chief Economist Tim Reardon.

The Australian Bureau of Statistics today released its monthly building approvals data covering all states and territories.

“This improvement in approvals is a welcome reprieve from the declines that began in late 2017 and confirms that confidence is returning to the home building market. It remains too soon to confirm that we have passed the bottom of this cycle, but this result is another indication that the market is stabilising,” added Mr Reardon.

“A return to house price increases, three cuts to interest rates, income tax cuts and the easing of APRA restrictions are having a positive impact on confidence. Access to credit remains an impediment to further improvements in home building activity.

“The ABS figures showed that detached house approvals in September increased by 2.7 per cent compared with August, but approvals for the September quarter remain lower than in the preceding quarter by 2.4 per cent and are considerably lower than at the same time last year.

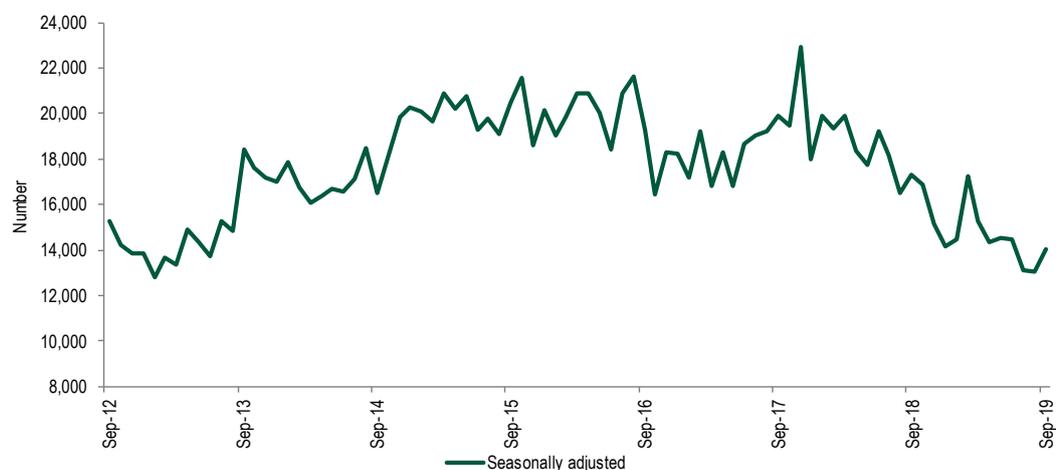
“Apartment approvals rose by 16.1 per cent for the month but have also decreased compared to the previous quarter.

“The Governments First Home Loan Deposit scheme will also assist in attracting more people to the market which will help to sustain improvements in building activity,” concluded Mr Reardon.

In seasonally adjusted terms, building approvals in September 2019 were up in Victoria (+3.3 per cent), Queensland (+19.6 per cent), South Australia (+16.0 per cent) and Tasmania (+3.4 per cent). There were significant falls in Western Australia (-24.5 per cent) and a moderate decline in New South Wales (-2.5 per cent). In trend terms, approvals in the Northern Territory declined by 9.3 per cent while the ACT declined by only 1.8 per cent.

Monthly Building Approvals - Australia

Source: ABS 8731



### For further information please contact:

Tim Reardon, Chief Economist  
Angela Lillicrap, Economist

0423 141 031  
0404 406 567

