



the voice of the industry

4 March 2019

MEDIA RELEASE

Building approvals rise in January, but cooling trend continues

“Building approvals rose in January offsetting some of the significant drop experienced in December 2018 as the impact of the credit squeeze continued to affect the housing market,” said Tim Reardon, HIA’s Chief Economist.

The Australian Bureau of Statistics released its monthly building approvals data today for Australia and the states and territories.

“It revealed that building approvals rose by 2.5 per cent for January, (+3.8 per cent for apartments, +1.9 per cent for houses) yet they sit 28.4 per cent lower than in the same period the previous year.

“As highlighted last week in HIA’s Quarterly Outlook, market confidence fell away in 2018 as dwelling prices corrected, adversely impacting all segments of the market. Investors and owner-occupiers are delaying purchase decisions and foreign investment has also fallen dramatically for numerous reasons.

“An additional and unanticipated factor that emerged in 2018 was the credit squeeze created as banks reduced the amount of money they are prepared to lend each customer. The impact of the credit squeeze is expected to moderate over the first half of 2019, as the market adjusts to these new limits.

“Despite the small increase this month, the pipeline of building work is now being reduced as the number of approvals slowed through the course of 2018.

Gains in seasonally adjusted dwelling approvals in January 2019 were led by WA (+28.8 per cent), followed by Tasmania (+15.4 per cent) and NSW (+12.0 per cent). All other states declined: SA (-1.5 per cent), Queensland (-3.5 per cent) and Victoria (-7.9 per cent). Trend data in NT (-8.0 per cent) and ACT (-19.8 per cent) also showed declines.

Monthly Building Approvals - Australia

Source: ABS 8731



For further information please contact:

Tim Reardon, Chief Economist
Geordan Murray, Senior Economist

0423 141 031
0438 103 651

