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MEDIA RELEASE

## House approvals continue to cool in February

“Building approvals for detached houses declined again in February, consistent with the trend of the past year,” said HIA’s Chief Economist Tim Reardon.

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

“Detached house approvals fell by 3.7 per cent for the month to be 11.1 per cent lower than the same three month period last year,” added Mr Reardon.

“This is consistent with our expectation that this downturn will be sharp and shallow with detached building activity remaining above the long term average at the bottom of this downturn.

“In contrast multi-unit approvals unexpectedly jumped by 62.4 per cent in the month, against a backdrop of very low volumes of approvals in the second half of 2018. This bounce was due to a 134.1 per cent increase in multi-unit approvals in Victoria. NSW also experienced an exceptional bounce back for multi-unit approvals of 69.5 per cent.

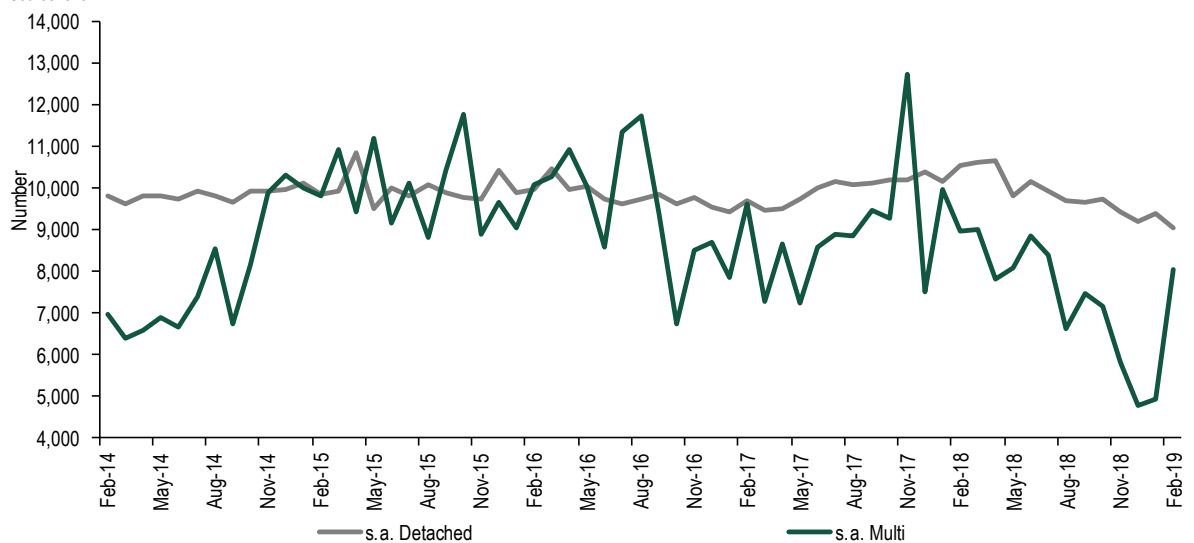
“Despite the surge in multi-units approvals, they remain 32.9 per cent lower than the same three month period last year. There remains a significant volume of multi-unit construction in the pipeline this year.

“The market cooled in the second half of 2018 on the back of the credit squeeze as dwelling prices corrected, adversely impacting market confidence. These results are an encouraging sign that this downturn will remain modest relative to historical comparisons,” concluded Mr Reardon.

Gains in seasonally adjusted dwelling approvals in February 2019 were led by Victoria (+37.3 per cent) and NSW (+25.2 per cent), followed by SA (+6.8 per cent) and Queensland (+3.4 per cent). All other states declined: WA (-10.9 per cent) and Tasmania (-13.6 per cent). Trend data in ACT (-6.3 per cent) and NT (-6.5 per cent) also showed declines.

Building Approvals - Australia

Source: 8731



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