



the voice of the industry

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MEDIA RELEASE

## Housing downturn loses momentum as good news rolls in

“The decline in dwelling approvals appears to be losing momentum. This is a welcome reprieve for the housing industry after the persistent declines measured throughout 2018,” stated HIA Chief Economist Tim Reardon.

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

“Approvals in May 2019 were up by 0.7 per cent from the previous month. The improvement was led by multi-unit approvals (+2.1 per cent) with detached house approvals down marginally (-0.2 per cent),” added Mr Reardon.

“Recent positive news relating to house prices and new home sales has started filtering through. Even if this isn’t the bottom of the cycle the pick-up in new home sales in May suggests the pace of decline is slowing.

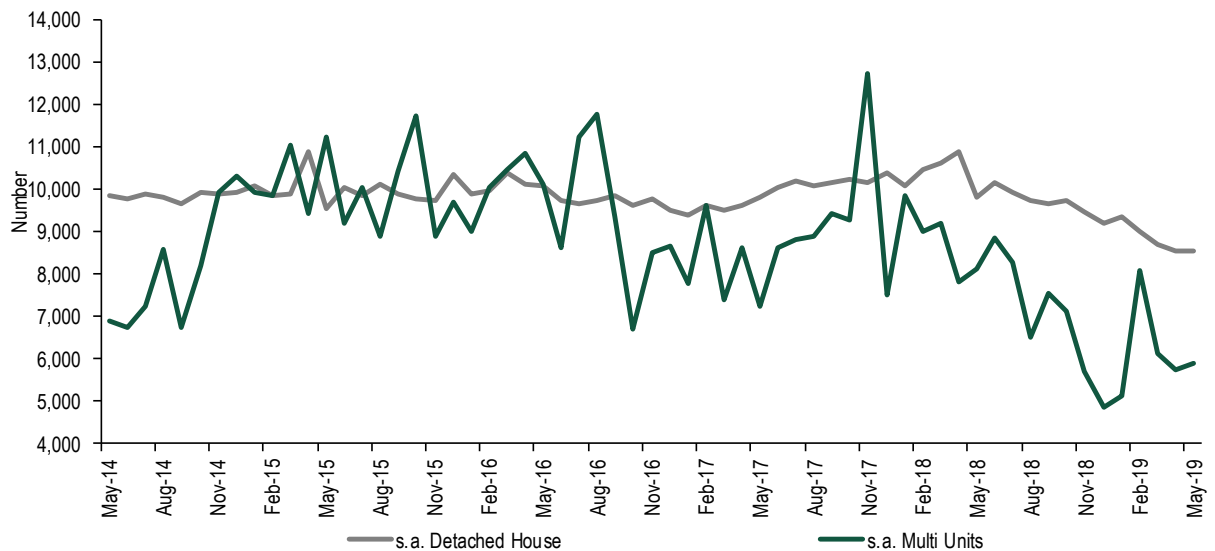
“We’re hopeful market confidence has improved following the Federal election and retention of current property taxation arrangements.

“Back-to-back interest rate cuts from the RBA and the pending reforms to APRA’s mortgage lending guidelines should act to minimise any further contraction in residential building,” concluded Mr Reardon.

Seasonally adjusted building approvals in May 2019 were up by 14.4 per cent in Victoria and were flat in NSW. Approvals declined in Tasmania (-1.2 per cent), South Australia (-2.9 per cent), Western Australia (-4.7 per cent) and Queensland (-6.3 per cent). In trend terms, approvals in May lifted by 7.2 per cent in the ACT and were down by 6.1 per cent in the Northern Territory.

### Building Approvals - Australia

Source: 8731



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