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30 August 2019

MEDIA RELEASE

Housing Market Continues to Cool

"Building approvals continued to cool particularly in the apartment market," stated HIA Economist Tom Devitt.

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

"Approvals in the three months to July 2019 were down by 10.5 per cent from the previous three months," added Mr Devitt.

"This decline was led by multi-unit approvals which were down by 20.2 per cent with detached house approvals down by 3.0 per cent.

"Despite the rapid contraction in approvals for multi-units there remains a large volume of apartments under construction. Developers are delaying seeking approval for apartments at this phase in the cycle, until the record number of apartments that are currently under construction are completed.

"The downturn in detached house building is more modest in scale but it remains a sharp downturn.

"This is a further indication that we have not yet reached the bottom of this market cycle, with the July quarter sitting 24.1 per cent down from the same quarter last year.

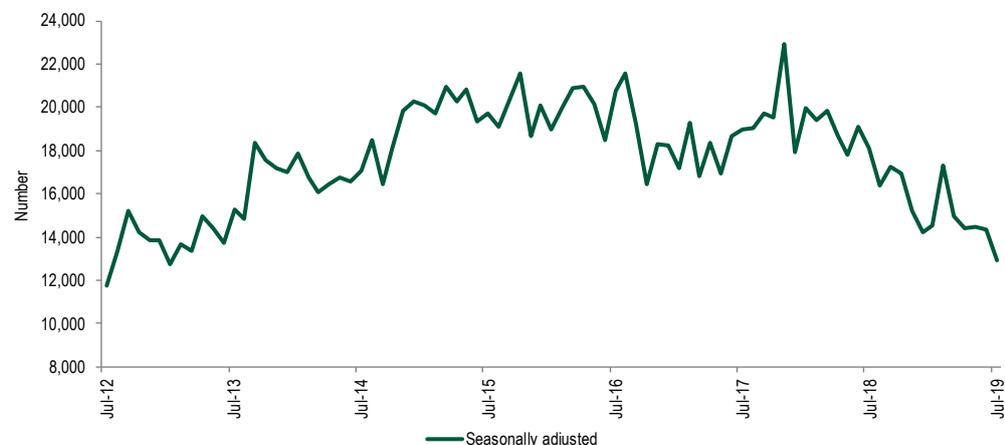
"The two interest rates cuts, a tax cut and the repeal of regulatory restrictions are still expected to encourage increased activity in the home building market.

"These measures, combined with ongoing stable population and employment growth should see approvals improve towards the end of the year," concluded Mr Devitt.

Seasonally adjusted building approvals in July 2019 were up by 34.8 per cent in South Australia, 21.5 per cent in Tasmania, 10.9 per cent in Queensland and 5.8 per cent in Western Australia. Approvals declined in Victoria (-24.3 per cent) and New South Wales (-17.5 per cent). In trend terms, approvals in July were steady in the Northern Territory and were down by 22.4 per cent in the ACT.

Monthly Building Approvals - Australia

Source: ABS 8731



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