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## March house approvals at five year low

“March building approvals marked the weakest month for detached house approvals since 2013,” said HIA’s Senior Economist Geordan Murray.

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

“House approvals slowed considerably over the first three months of 2019. Approvals fell by 4.8 per cent during the March 2019 quarter which follows from steady declines during 2018,” added Mr Murray.

“Today’s data shows how the tightening in the lending environment during the second half of 2018 is echoing through the home building market.

“The households who have been forced out of the market by the credit squeeze have left a sizable hole in demand for new homes. Builders reported a drop off in enquiries throughout the latter months of 2018 and these conditions are now showing up in the official approval numbers.

“We expect approvals numbers to continue softening throughout 2019 as the ongoing impact of the credit squeeze combined with pre-election uncertainty impact demand for new homes.

“State and federal governments should be looking at ways to shore up confidence in the housing market, for both owner-occupiers and investors.

“This is not the time for new constraints or tax imposts on new housing that could exacerbate the downturn,” concluded Mr Murray.

Seasonally adjusted dwelling approvals in March 2019 were down by 27.4 per cent in New South Wales, 27.0 per cent in Victoria, 2.4 per cent in Queensland and by 2.0 per cent in South Australia. All other states recorded a lift in approvals during the month, the largest of which was an 18.6 per cent jump in Tasmania followed by a 4.8 per cent lift in Western Australia. Trend data for the ACT (+4.8 per cent) and NT (+3.9 per cent) also showed improvements.

**For further information please contact:**

Geordan Murray, Senior Economist  
Tim Reardon, Chief Economist

0438 103 651  
0423 141 031

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