



MEDIA RELEASE

Rocky Recovery for Building Approvals

“Building approvals fell by 3.7 per cent in the three months to October 2019 after several months of positive growth,” stated HIA Economist Angela Lillicrap.

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

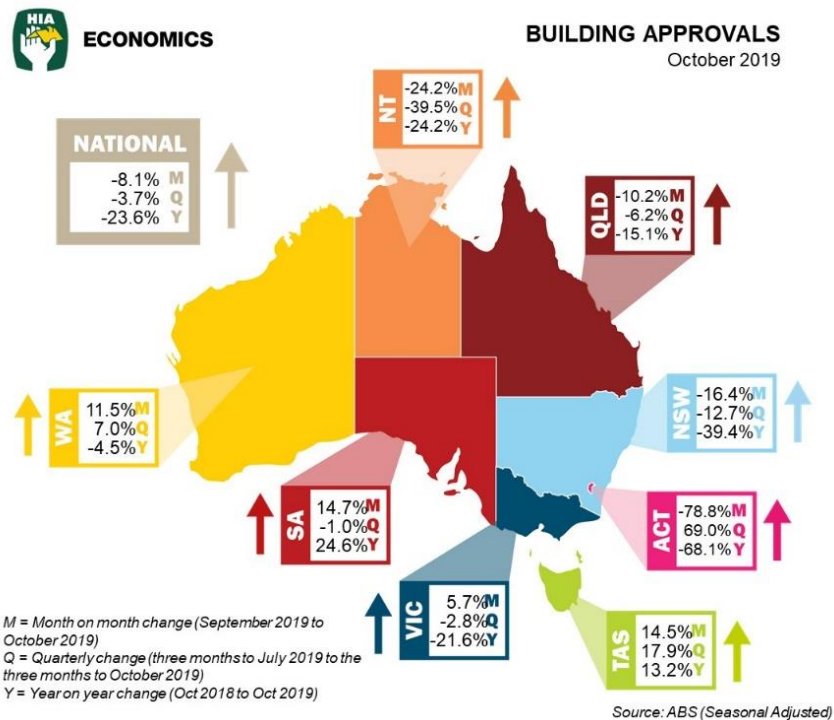
“The decline in building approvals for the recent three months to October was broad-based with both houses and multi-units declining by 3.4 per cent and 4.2 per cent respectively. Approvals are now 19.7 per cent lower than the same time last year,” added Ms Lillicrap.

“The declines over the past year have been driven by underwhelming economic conditions and a tighter credit environment.

“It is evident that the pick-up seen in other indicators including housing finance and new home sales is yet to flow through to building approvals. With healthier conditions in the established home market, we are optimistic that we will see improvement the new home market in the coming months.

“Recent government policy announcements in Western Australia have quickly transferred to more approvals as demonstrated by a 35.5 per cent increase in multi-unit dwellings for the three months to October. This should flow through to more work on the ground in 2020,” concluded Ms Lillicrap.

In seasonally adjusted terms, building approvals for the month of October 2019 declined in New South Wales (-16.4 per cent) and Queensland (-10.2 per cent). Victoria increased by 5.7 per cent and South Australia increased by 14.7 per cent. Western Australia offset previous monthly declines and increased by 11.5 per cent. In trend terms, approvals in the Northern Territory declined by 11.1 per cent while the ACT increased by 3.1 per cent.



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