

MEDIA RELEASE



30 September 2020

Impact of HomeBuilder Evident in Detached Building Approvals

“The impact of HomeBuilder is now emerging in the ABS Building Approvals Data and there is a significant divergence between the outlook for detached and multi-unit dwellings,” stated HIA Economist, Angela Lillicrap.

“After a number of years of decline, building approvals in Western Australia increased by 32.9 per cent in the month of August. This is consistent with other leading indicators that show that HomeBuilder and the State Government’s Building Bonus have stimulated demand for new homes,” added Ms Lillicrap.

“Western Australia also had a very short pipeline of work and these approvals will lead to the commencement of building work on the ground within weeks. This surge lifts the number of approvals to levels last experienced in 2018.

“Queensland also saw a 13.4 per cent increase in detached building approvals, confirming that it is also experiencing a surge in new work entering the building pipeline, also from a low base.

“Other regions are yet to see the pickup in activity due to HomeBuilder. This reflects a range of factors including, longer processing times with local councils and delays in the finalisation of building plans between the customer and builder, and a stronger pipeline of existing work.

“New Home Sales data also suggests that detached house approvals will continue to grow over coming months and across all jurisdictions.

“Multi-unit approvals fell by 12.9 per cent in the month to be 14.1 per cent below this time last year.

“The small number of multi-unit projects that are gaining approval at this time are likely to have commenced the planning and building approval process years ago.

“The multi-unit market has cooled since 2018, after several years of record levels of construction. Activity in this part of the market is likely to remain depressed until there is greater certainty about the pathway for overseas migration to be restored,” concluded Ms Lillicrap.

In seasonally adjusted terms, the number of detached dwelling approvals during August 2020 compared to June, increased in Western Australia (+32.9 per cent), Queensland (+13.4 per cent) and New South Wales (+0.2 per cent). They declined slightly in Victoria (-0.8 per cent) and South Australia (-0.9 per cent).

The number of multi-unit approvals increased in Western Australia (+43.9 per cent) and Victoria (+6.5 per cent). They declined in Queensland (-3.3 per cent), South Australia (-23.9 per cent) and New South Wales (-31.9 per cent).

For further information please contact:

Angela Lillicrap, Economist

0404 406 567

Tim Reardon, Chief Economist

0423 141 031

MEDIA RELEASE



Building Approvals - Australia

Source: 8731

