

MEDIA RELEASE



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Detached Building Approvals Remain Elevated in January

“ABS data for detached building approvals fell slightly in January but remained well above historical levels,” stated HIA Economist, Angela Lillicrap.

“Narrowly behind December, the strong result in January was the second largest number of detached approvals in any month since the series began in 1983.

“Detached house approvals in the three months to January 2021 are 44.5 per cent higher than the same time last year.

“Building approvals data lags behind other leading indicators including new home sales and housing finance data.

“We saw a spike in new home sales in December arising from HomeBuilder. These projects will continue to progress through the administrative process to gain building approval in the coming months.

“With home buyers able to access the reduced HomeBuilder grant until the end of March we expect sales and approvals to remain elevated for several more months.

“The majority of homes approved in January are likely to already have now commenced work on site. The strong pipeline of work will ensure ongoing employment in the sector through 2021 and into 2022.

“There is a significant divergence in the conditions facing detached builders versus apartment builders.

“Multi-unit approvals fell by 5.7 per cent in the three months to January 2021 compared to the preceding quarter and are 15.6 per cent lower than the same time last year.

“Multi-unit projects that are gaining approval at this time are likely to have commenced the planning and building approval process before COVID.

“The apartment market is likely to be constrained until overseas migration returns,” concluded Ms Lillicrap.

In seasonally adjusted terms, the number of detached dwelling approvals during the three months to January 2021 compared to the same time last year increased in all jurisdictions

- Western Australia (+124.1 per cent)
- Tasmania (+60.6 per cent)
- Queensland (+51.8 per cent)
- South Australia (+45.7 per cent)
- New South Wales (+28.4 per cent)
- Victoria (+23.8 per cent).
- In original terms, they improved in the Northern Territory (+82.0 per cent) and the ACT (+35.9 per cent).

Multi-unit approvals declined in all jurisdictions except for Western Australia (+65.2 per cent) and Queensland (+38.3 per cent).

- Tasmania (-75.0 percent)
- Victoria (-49.3 per cent)
- South Australia (-11.6 per cent)
- New South Wales (-4.6 per cent)
- They declined in original terms in the Northern Territory (-10.5 per cent) and the ACT (-18.6 per cent).

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