

MEDIA RELEASE



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Detached dwelling approvals remain elevated in May

“Detached building approvals fell back in May 2021 from the record level set in April but remain elevated,” stated HIA Economist, Angela Lillicrap.

The Australian Bureau of Statistics today released its monthly building approvals data for detached and multi-units data covering all states and territories.

“Detached approvals are expected to remain elevated for several more months as approval authorities work through the remaining HomeBuilder projects,” added Ms Lillicrap.

“April’s announcement of the extension of the time to build for HomeBuilder projects from 6 to 18 months, will see detached approvals elevated for longer. Builders are no longer rushing projects through the approvals process as this alleviates the pressure to meet the deadline.

“Detached housing approvals increased by 9.1 per cent in the three months to May 2021, to be 63.1 per cent higher than the same time last year.

“New Home Sales data, which is a leading indicator of building approvals, suggests that there is a significant number of new homes entering the pipeline post HomeBuilder.

“Confidence in the broader housing market is strong. Low interest rates will continue to drive demand for housing.

“The value of renovations activity approved is also elevated, up by 51.7 per cent in the three months to May 2021 compared to the same time last year.

“Multi-unit approvals increased by 36.0 per cent in the three months to May 2021 to be 25.7 per cent higher than last year. This is the strongest quarterly result for this segment since 2018,” concluded Ms Lillicrap.

In seasonally adjusted terms, detached approvals saw the biggest increase in the three months to May 2021 compared to the same time last year in Western Australia (+148.0 per cent). This was followed by South Australia (+83.3 per cent), Queensland (+69.9 per cent), Victoria (+48.9 per cent) and New South Wales (+35.9 per cent).

In original terms, detached house approvals increased in the Northern Territory by 141.4 per cent during the three months to May 2021 compared to the same time last year. Tasmania (+49.5 per cent) and the Australian Capital Territory (+22.6 per cent) also increased during this period.

Detached House Building Approvals - Australia

Source: 8731



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