

MEDIA RELEASE



31 March 2021

Record month for detached building approvals will guarantee jobs

“Detached building approvals in February reached their highest level on record since the ABS began the series in 1983,” stated HIA Chief Economist, Tim Reardon.

“HomeBuilder has driven strong demand for new homes across the country,” added Mr Reardon.

“The three months to February are also a record period, by a significant margin. Detached house approvals in the three months to February 2021 were 50.7 per cent higher than the same time last year.

“This is consistent with the results in more timely leading indicators such as HIA’s New Home Sales Report. This has shown an elevated level of demand following the announcement of HomeBuilder in June 2020.

“New home sales spiked in December as home buyers rushed to meet the deadline of the first phase of HomeBuilder.

“New Home Sales in March are expected to be comparable to those in December 2020 as home buyers rush to meet the deadline for the second – and final – phase of HomeBuilder.

“The record volume of work will see home building absorb workers from across the economy in 2021 and into 2022.

“This positive outlook for detached home building is in stark contrast to that of the multi-unit sector. The absence of overseas migrants and students will continue to impede multi-commencements.

“Multi -unit approvals remain lower by 21.6 per cent compared to the same quarter last year. Multi-unit projects that are gaining approval at this time are likely to have commenced the planning and building approval process before the pandemic.

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

In seasonally adjusted terms, the number of detached dwelling approvals during the three months to February 2021 compared to the same time last year were highest in Western Australia (+138.6 per cent) followed by South Australia (+67.7 per cent), Queensland (+51.0 per cent), New South Wales (+32.0 per cent) and Victoria (+28.4 per cent). In original terms, they improved in the Northern Territory (+86.1 per cent), Tasmania (+69.9 per cent) and the ACT (+57.0 per cent).

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Detached House Building Approvals - Australia

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