

Approvals Confirm Housing Recovery Ahead

Building approvals increased for the third consecutive month in April 2009 to reach their highest level since October last year, said the Housing Industry Association, Australia's largest building industry organisation.

HIA Chief Economist, Dr Harley Dale said that a sustained recovery in detached house building approvals was consistent with a range of leading indicators which pointed to moderate growth in new home starts from mid 2009.

"Clearly the combination of very low mortgage rates and government stimulus has worked to create the conditions where housing starts will begin to lift from the June 2009 quarter," said Harley Dale.

"This is a positive update not only for residential construction activity but also employment and demand in related manufacturing and service sectors," said Harley Dale.

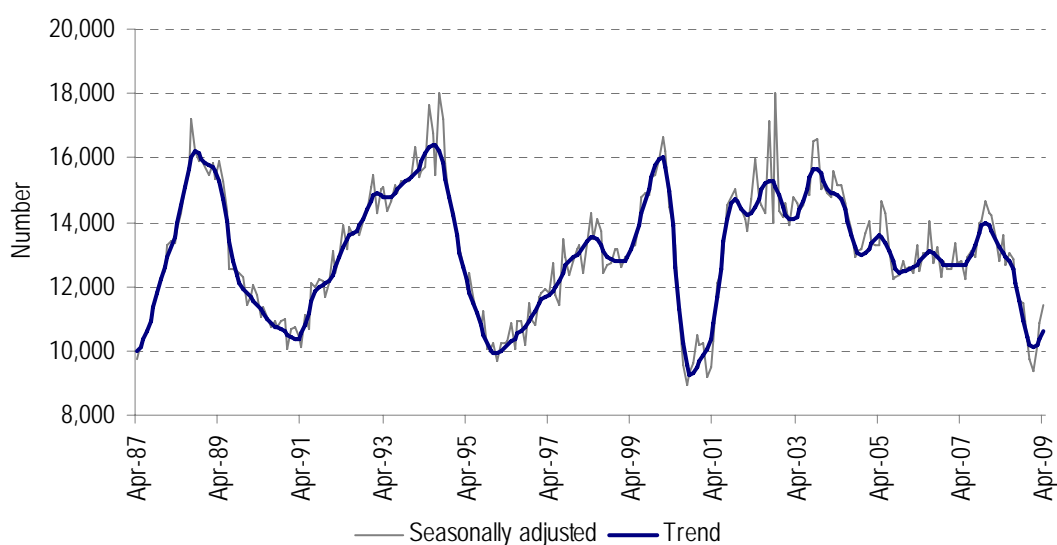
Total seasonally adjusted building approvals increased by 5.1 per cent in April 2009 to a level of 11,402. Once again the increase was attributable to detached house approvals which rose by 7.3 per cent, the fourth increase in a row, to be up by 16 per cent on their December 2008 low.

"While the detached house market is driving the recovery it is encouraging to see a slight trend increase in non-house (unit) building approvals over March and April," Harley Dale added.

The number of seasonally adjusted residential dwelling approvals increased in April in every state and territory except Victoria. Approvals increased by 37.7 per cent in New South Wales and were up by 13 per cent in Queensland, 5.1 per cent in South Australia, 3.5 per cent in Western Australia, and 0.4 per cent in Tasmania. The trend number of approvals increased in both the Northern Territory (+8.1 per cent) and the Australian Capital Territory (+10.1 per cent). The number of seasonally adjusted approvals fell by 13.4 per cent in Victoria following a 36 per cent rise over the preceding four months.

Building Approvals - Australia

Source: ABS 8731



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