

## Multi-Unit Drop in August

Weakness in the multi-units sector continues to stifle the housing recovery in Australia, said the Housing Industry Association, Australia's largest building industry organisation.

HIA Senior Economist, Mr Ben Phillips said that the August result reflected the continued dichotomy between a stronger detached housing market, buoyed by the first home owners grant, and a very weak multi-units sector which continues to be hit by finance difficulties.

Last months strong multi-unit result was reversed in August with a drop of 10.9 per cent to 2,992 approvals, while the detached house sector achieved its eighth straight positive month with growth of 3.1 per cent to 8,880. The overall result for building approvals was effectively a flat one.

"Multi-unit approvals have plunged by a third over the past 12 months, with New South Wales, Western Australia and Queensland all being hit particularly hard," Ben Phillips said.

"It will be important to see further signs in coming months of a broadening home building recovery encompassing detached and non-detached dwellings, first time and trade-up buyers, investors, and social housing," said Ben Phillips.

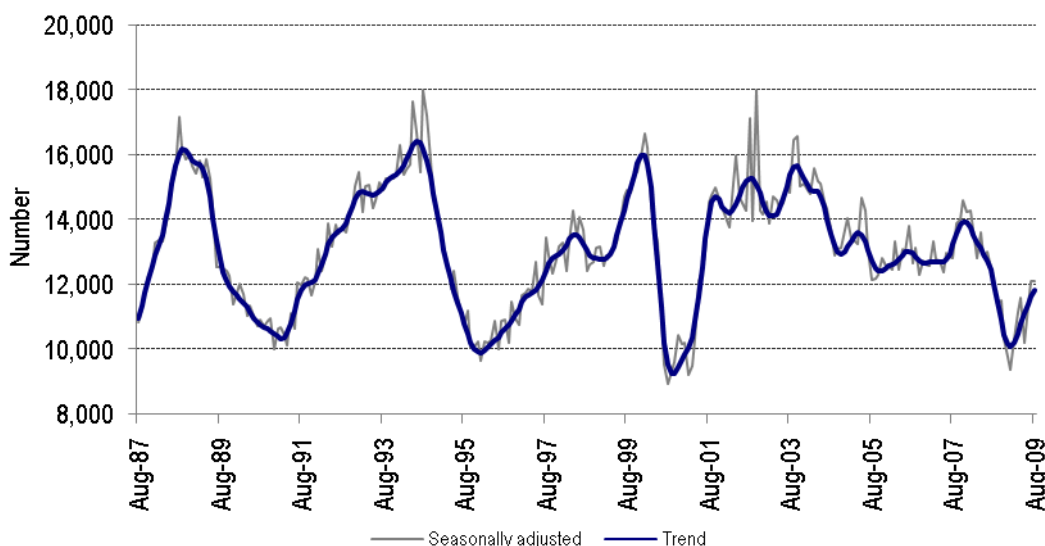
"The lack of a broad recovery in housing is particularly worrying given record levels of population growth across Australia. Without a strong new housing sector, housing affordability in both the rental and purchaser markets will be under pressure," Ben Phillips said.

HIA endorses the Reserve Bank Governor's recent statements on the importance of removing supply blockages, such as slow building approvals, and ensuring a healthy supply of land for housing affordability.

The number of seasonally adjusted residential dwelling approvals increased in August by 19.7 per cent in New South Wales, and 1.7 per cent in Queensland, 14.9 per cent in South Australia, 1.3 per cent in Western Australia, and 26.6 per cent in Tasmania. Dwelling approvals fell by 9.4 per cent in Victoria. The trend number of approvals fell by 5.2 per cent in the Northern Territory and by 3.4 in the Australian Capital Territory.

### Building Approvals - Australia

Source: ABS 8731



**For further information please contact:**

Ben Phillips, Senior Economist      0424 147 321