

30 September 2008

## Population Up, Building Activity Down

HIA, Australia's largest building industry association, said that a general weakness in leading housing indicators was persisting into the second half of 2008.

HIA Chief Economist, Harley Dale, said that today's building approvals update, for August 2008, confirmed a continuance of the downward trend which has occurred over the last nine months.

"It is a concerning situation when you have record population growth (from immigration) met by declining building activity. Falling building activity will put even further pressure on Australia's private rental market. Unless building activity increases to meet rising demand get ready for 15 per cent plus growth in private rents and a growth in the number on public housing waiting lists (current at 170,000)," said Harley Dale.

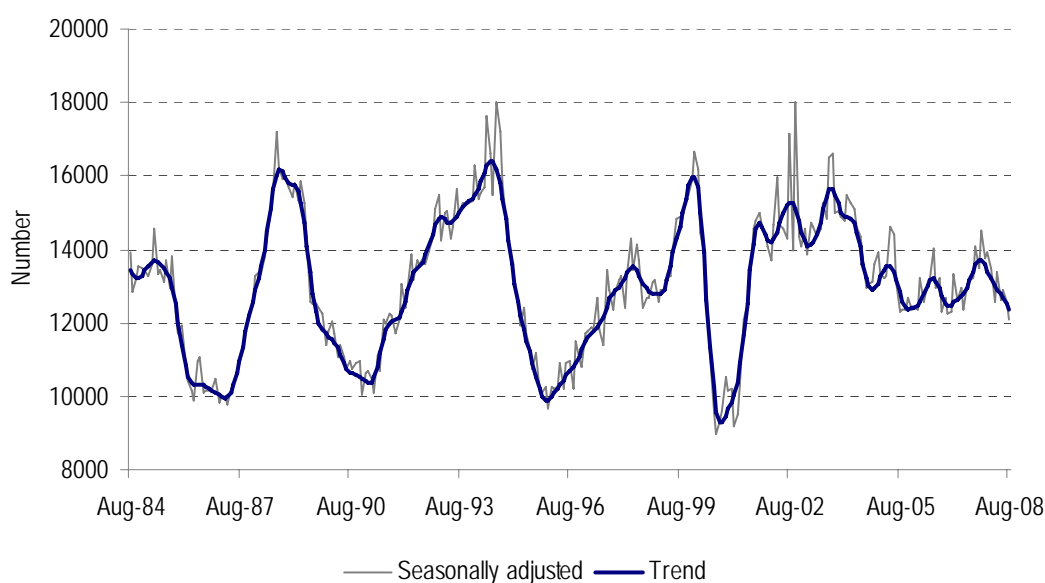
On a seasonally adjusted basis, total building approvals decreased by 3.7 per cent in August to be down by 8.6 per cent on the same month last year. The number of detached house approvals fell by 1.7 per cent. Approvals for the multi-unit sector fell by 7.8 per cent.

"Unfortunately this update does nothing to change a weak profile for new home building activity," said Harley Dale.

"The overall signal from all leading indicators of housing is that new residential construction activity will be weak well into 2009," said Mr Dale.

On a state by state basis the number of seasonally adjusted building approvals in August fell by 8.5 per cent in New South Wales, 7.9 per cent in Victoria, 1.9 per cent in South Australia and by 28.2 per cent in Tasmania. Building approvals increased by 6.2 per cent in Queensland and by 2.3 per cent in Western Australia. The trend number of building approvals was down by 16.7 per cent in the Northern Territory but rose by 2 per cent in the Australian Capital Territory.

Building Approvals - Australia



**For further information please contact:**

Harley Dale on 0414 994 186

Ben Phillips on 0424 147 321