

Multi-unit Approvals Surge in July

Building approvals posted a healthy rise in July with a surge in multi-unit approvals, said the Housing Industry Association, Australia's largest building industry organisation.

HIA Chief Economist, Dr Harley Dale said that the bright July result reflected growth in the three largest states of New South Wales, Victoria, and Queensland, and was in part due to a boost provided by the Federal Government's Social Housing Initiative.

"It is very encouraging to see a strong rise in multi-unit approvals for the second consecutive month. The multi-unit sector has been very weak for a long time and even with the July result approvals are 21 per cent down on the same month last year," Harley Dale 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 Harley Dale.

"There are early signs of this broadening in the recovery base, but we have a long way to go. There is also a large gap between the lift in home lending compared to the equivalent growth in dwelling approvals, suggesting that the up-cycle in housing starts will be slow to gather momentum," Harley Dale said.

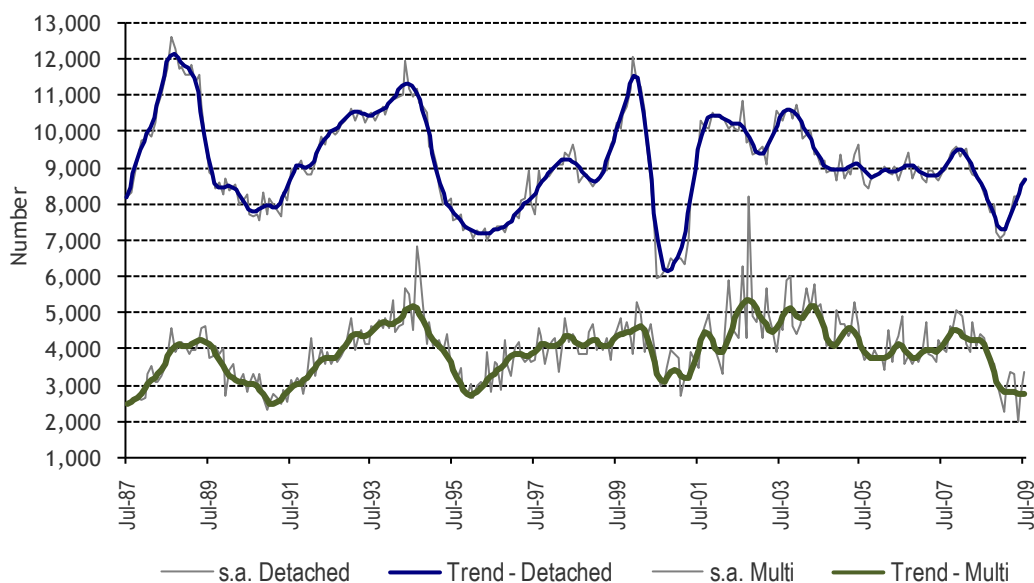
Total seasonally adjusted building approvals increased by 7.7 per cent in July with detached house approvals up by 1.3 per cent and multi-unit approvals jumping by 28.4 per cent.

"New South Wales, Victoria, and Queensland all recorded growth in seasonally adjusted building approvals in July, but approvals were down in the other states and territories," Harley Dale said.

The number of seasonally adjusted residential dwelling approvals increased in July by 19 per cent in New South Wales, 8.6 per cent in Victoria, and 4.3 per cent in Queensland. Dwelling approvals fell by 9.5 per cent in South Australia, 3.3 per cent in Western Australia, and 15.3 per cent in Tasmania. The trend number of approvals fell by 1.9 per cent in both the Northern Territory and the Australian Capital Territory.

Building Approvals - Australia

Source: 8731



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