

3 August 2010

Approvals Suffer Third Consecutive Fall

ABS Building Approvals fell for a third consecutive month in June 2010 to reach their lowest level since August last year, said the Housing Industry Association, the voice of Australia's residential building industry.

HIA Chief Economist, Dr Harley Dale, said that rising interest rates weakened new housing demand and confidence over the first half of 2010.

"At the same time, fiscal policy stimulus has waned, exposing the lack of affordability of new housing in the face of high-cost regulation," Harley Dale said.

"Dwelling commencements will increase in 2010 for the first time since 2002, but there is now compelling evidence from leading indicators such as building approvals that this recovery won't be sustained next year."

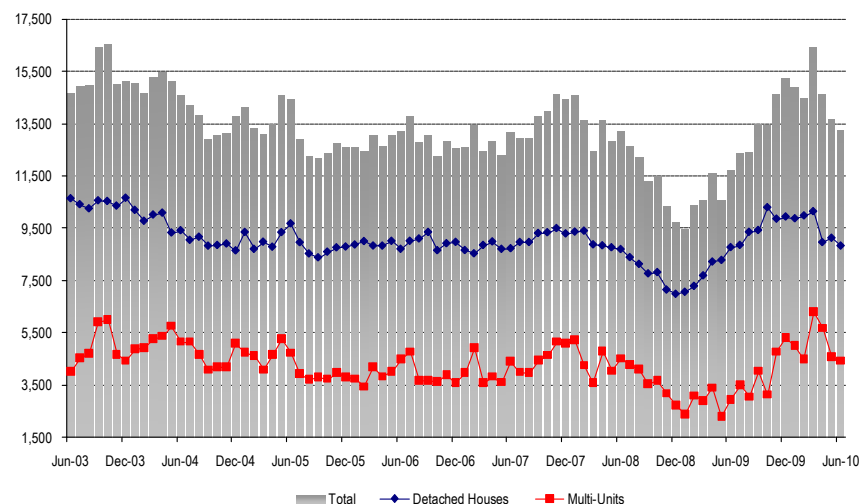
"That situation should spell a sustained period of steady interest rates. It also highlights the urgent need for further policy reform to reduce the obstacles to boosting Australia's new housing supply."

"In many areas of Australia there is a clear affordability disadvantage for new dwellings compared to existing property, attributable to planning delays, infrastructure charges, lack of available finance, and a range of other costs borne by the new home market," said Harley Dale.

Total seasonally adjusted building approvals fell by 3.3 per cent in June 2010. Detached house approvals fell by 3.3 per cent and were down by 10.2 per cent over the June quarter. Approvals for 'Other dwellings' fell by 3.4 per cent in the month and were down by 7.1 per cent over the June quarter.

Building approvals fell in three out of eight states and territories in June 2010 and were down in all six states over the June quarter. In the month of June the number of seasonally adjusted building approvals fell in New South Wales (-6.2 per cent), Queensland (-8.1 per cent), and South Australia (-25.4 per cent). Approvals increased by 1.4 per cent in both Victoria and Western Australia and by 21.5 per cent in Tasmania. In trend terms, approvals increased by 11 per cent in the Northern Territory and by 5.7 per cent in the Australian Capital Territory.

Australia - Monthly Dwelling Approvals
Source: ABS Building Approvals



For further information please contact:

Harley Dale, Chief Economist 0414 994 186
Matthew King, Economist 0418 619 865



financing urban
infrastructure
Australia's housing
future summit

PARTNERED BY
JELDWEN
AUSTRALIA

