

30 July 2008

HOUSING SHORTAGE TO GET WORSE IN 2008

Building approvals weakened further in June, following a big drop in May, to reach their lowest level since the end of 2006.

HIA Chief Economist, Harley Dale, said that the June update confirmed a seventh consecutive trend decline for building approvals, signalling a weakening in residential construction over the second half of 2008.

On a seasonally adjusted basis, total building approvals fell by 0.7 per cent in June following a drop of 7.8 per cent in May. The number of detached house approvals was down by 0.8 per cent. Approvals for the more volatile multi-unit segment eased by 0.5 per cent following a 20 per cent drop the previous month.

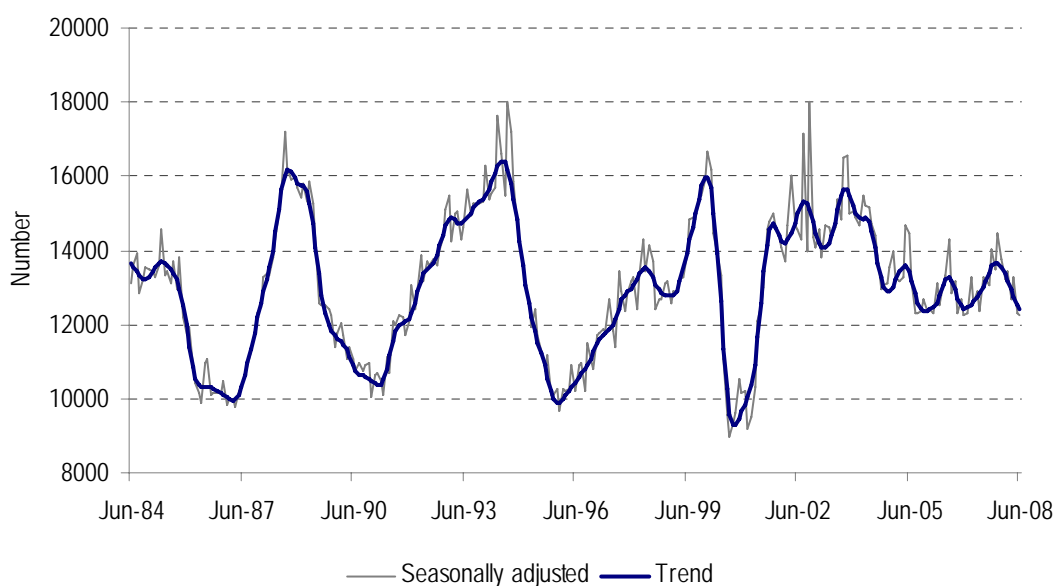
"There has been considerable delays in implementing the Federal housing initiatives welcomed earlier in the year. The industry and working families struggling with record low affordability can't wait any longer," Mr Dale said.

Over the six months to June 2008 detached house approvals fell 2.4 per cent. For the multi-unit sector the decline was a sharper 13.3 per cent.

"The responsiveness of supply to growing demand has been crippled by draconian regulation, ridiculous tax grabs, restrictive land release programs, and a failure to deliver required industry skill packages," added Mr Dale.

On a state by state basis the number of seasonally adjusted building approvals in June fell by 34.5 per cent in Tasmania, 16.5 per cent in New South Wales, 7.6 per cent in South Australia, 6.5 per cent in Western Australia, and 1.5 per cent in Queensland. Building approvals increased by 9.9 per cent in Victoria. The trend number of building approvals fell by 6.4 per cent in the Northern Territory but was up by 17.4 per cent in the Australian Capital Territory.

Building Approvals - Australia



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