

1 May 2008

Building Approvals Confirm Worsening Housing Shortage

Building approvals dropped in the month of March and were also down significantly over the quarter.

Total building approvals fell by 5.7 per cent in March to hit their lowest level since May last year. Detached house approvals dropped by 6.9 per cent while unit multi-unit approvals were down by 2.6 per cent.

For the March 2008 quarter building approvals were off by 6.6 per cent. Approvals for detached houses fell by 2.6 per cent and multi-unit approvals suffered a hefty 14.8 per cent decline.

HIA Chief Economist, Harley Dale, said that a renewed trend decline in building approvals which began five months ago was now firmly entrenched.

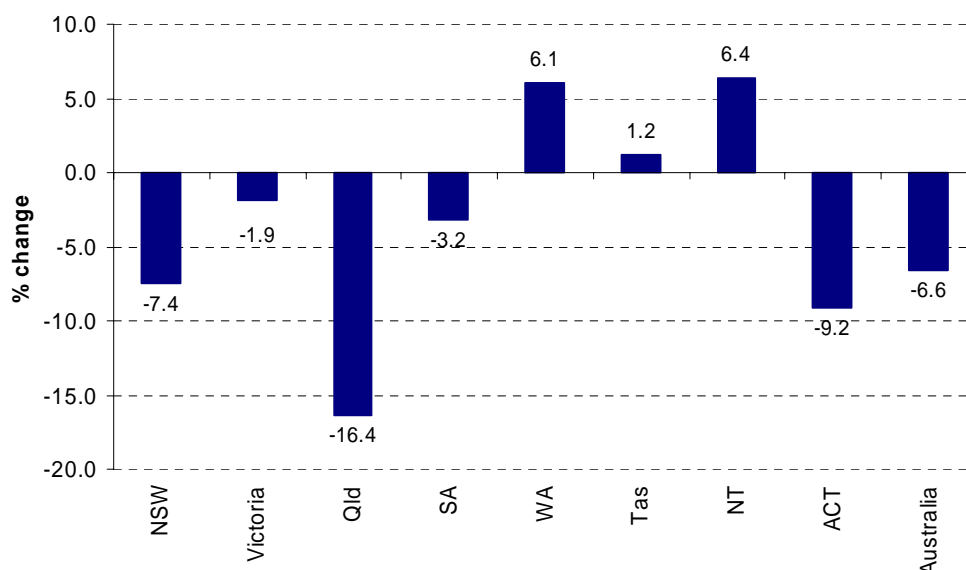
"The clear message is that the acute shortage of housing stock is going to worsen this year which highlights the urgency of implementing policies to boost the supply of affordable housing," Mr Dale said.

"That signal is apparent before we get near seeing the full impact that rises in interest rates over the last nine months will exert on new home building activity."

Building approvals fell over the March 2008 quarter in five of the eight states and territories around Australia.

On a state by state basis the number of seasonally adjusted building approvals in March fell by 33.2 per cent in Tasmania, 17.8 per cent in South Australia, 15 per cent in Queensland, and 5 per cent in Victoria. The trend in building approvals fell by 7.6 per cent in the Australian Capital Territory. Building approvals increased in seasonally adjusted terms by 16.1 per cent in Western Australia and by 5.8 per cent in New South Wales. The trend in building approvals increased by 8.4 per cent in the Northern Territory.

Quarterly Change in Building Approvals



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