

ABS Confirm HIA's Concerns

The ABS has confirmed that residential dwelling approvals dropped by 12.8 per cent in November 2008 to levels not seen since the introduction of the GST. Worst affected was the multi-unit sector where approvals fell by nearly 20 per cent. Detached housing approvals dropped by 10 per cent in November.

HIA Chief Executive – Association, Chris Lamont said dwelling approvals had now fallen for a fifth straight month and are now 35 per cent lower than for the same period 12 months ago.

The result is disappointing as it was hoped that the increased First Home Owners Grant and decline in interest rates would be lifting approvals numbers in November.

“Activity in the second half of 2008 reflected the general slowing of the economy and difficulties faced in securing finance for new construction projects. Added to this was very poor consumer and business confidence,” said Chris Lamont.

HIA has cited a lack of credit and general economic uncertainty as the primary causes for a dismal half year result, with the multi-unit market sector the worst affected.

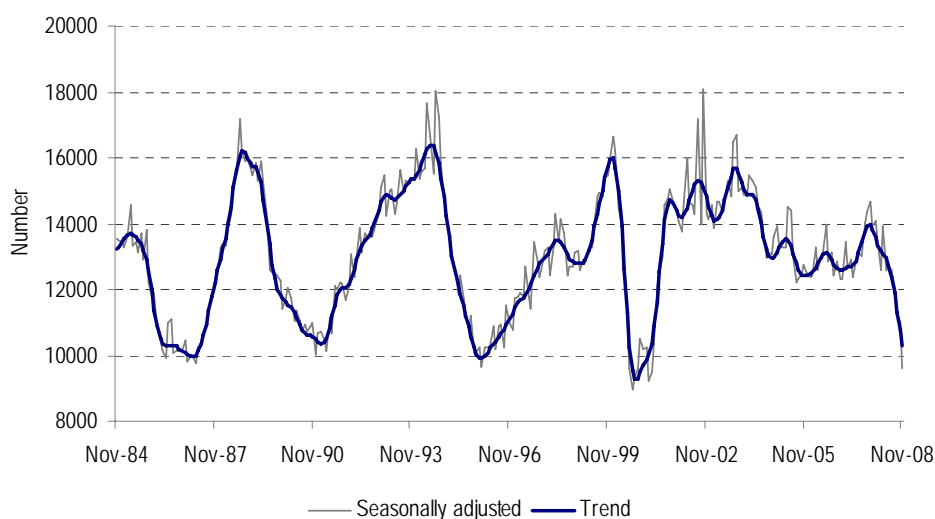
Repeating calls for a further stimulus to maintain employment and activity in the sector HIA believes there is a need to look at additional and new incentives to boost investment.

“The industry was thumped in the second half of last year and to get employment and activity firing again there is a need to look at some new incentives to get things moving. Ensuring availability of credit for new development is vital in the current environment,” said Chris Lamont.

The overall profile for dwelling approvals continues to remain weak, although it is pleasing to see New South Wales and the Northern Territory reclaim some ground in November,” said Chris Lamont.

For the month of November residential dwelling approvals increased by 2.3 per cent in New South Wales. Approvals fell by 1.4 per cent in South Australia, 10.2 per cent in Victoria, 15.9 per cent in Queensland, 4.7 per cent in Tasmania, and 29.6 per cent in Western Australia. In trend terms, approvals were up by 13.9 per cent in the Northern Territory, and down by 8.6 per cent in the ACT.

Building Approvals - Australia



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