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APPROVALS FALL BACK IN OCTOBER

Building approvals were down by 2.8 per cent in October due to a 10.4 per cent dip in the multi-unit segment. Detached house approvals posted a very small rise of 0.9 per cent to a level of 9,458.

Over the three months to October approvals were up by 5.7 per cent to be at a level 4.9 per cent higher than the same period last year, although detached house approvals were only 1.5 per cent up on the three months to October 2006.

HIA Chief Economist Harley Dale said that a modest upward trend was continuing but the monthly level of approvals was falling well short of the mark.

"There has been a moderate upward trend apparent for building approvals for nine months now and that is encouraging. With upward pressure on domestic interest rates, however, there is probably a greater risk of that trend stalling rather than accelerating in the short term," Mr Dale said.

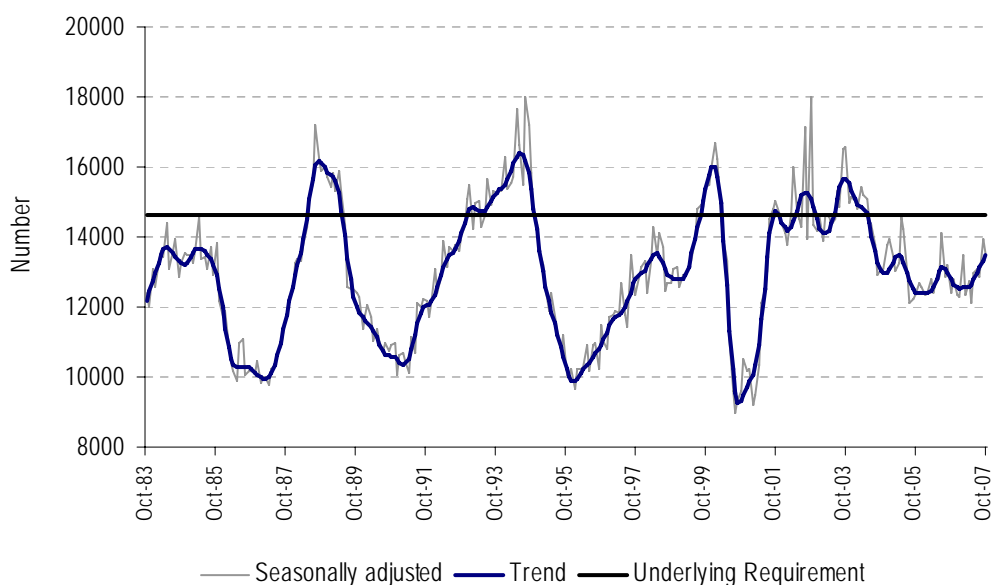
"We are currently averaging less than 13,500 approvals per month which is more than 1,000 short of the monthly level required to satisfy the underlying demand for new dwellings," Mr Dale said.

"Leading indicators of new home building suggest any recovery in the sector is going to be a slow grind and we would expect the considerable pressure evident in rental markets around Australia to persist well into 2008," said Mr Dale.

"This situation reinforces the importance of the new Government's commitment to a national housing policy and the need to implement such policy to address the shortage of housing stock as soon as possible."

On a state by state basis the trend in building approvals in October fell by 9.4 per cent in the Australian Capital Territory and was down by 1.2 per cent in New South Wales, 1 per cent in the Northern Territory, and 0.7 per cent in Western Australia. There was a trend increase in building approvals of 3.1 per cent in Victoria, 2.2 per cent in South Australia, and 1.5 per cent in Queensland. Approvals were flat in Tasmania.

Building Approvals - Australia



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