

## APPROVALS ON LONGEST DOWNTURN IN HISTORY

Despite tightening rental markets and a housing supply shortage, building approvals fell in August.

Figures released today show that dwelling approvals declined by 1.7 per cent in August to a level of 12,751.

Approvals for detached houses inched up by 0.7 per cent in August to a level of 8,852 which was 2.3 per cent lower than a year earlier. Apartment approvals dropped by 7 per cent to fall back below the 4,000 mark for the first time in three months, reaching a level of 3,811.

Australia's peak building industry body, HIA, said that the down turn in building approvals was the longest seen in the 24 year history of the series.

HIA's Chief Economist, Mr Harley Dale, said that building approvals were marching towards four full years of weakness.

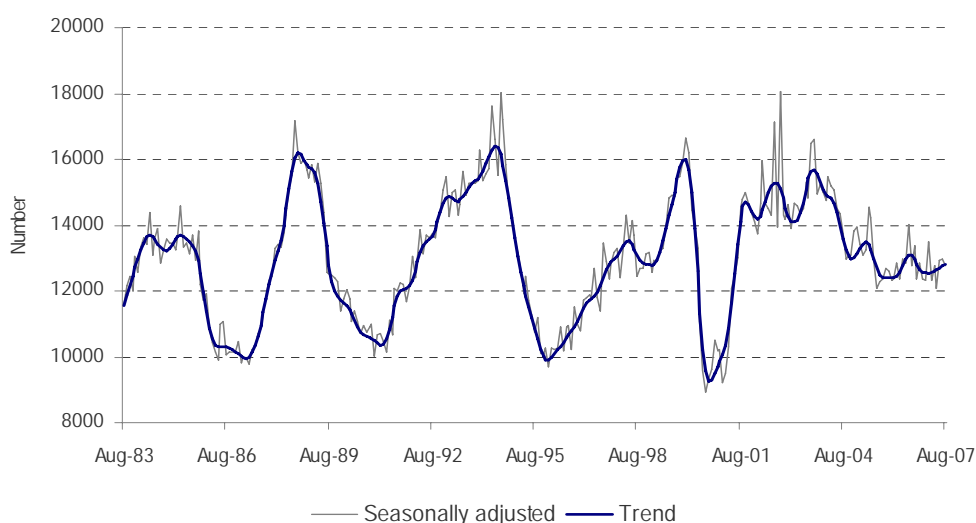
"It has never taken approvals this long to mount a sustainable recovery and that is a clear reflection of the brake that record low housing affordability is exerting on the new home building sector," Mr Dale said.

"A rate hike and the full impact of the global credit crunch striking certainly weren't positives for approvals in August," Mr Dale said.

"However, it is the hefty supply constraints on residential construction that are preventing a recovery in the housing sector," Mr Dale added.

*The monthly trend in building approvals in August fell by 3.4 per cent in Tasmania, 2 per cent in Western Australia, 0.9 per cent in New South Wales, and 0.8 per cent in the Australian Capital Territory. Approvals were up by 0.3 per cent in South Australia, 0.5 per cent in Queensland, 0.9 per cent in the Northern Territory, and 2.5 per cent in Victoria.*

Building Approvals - Australia



### Further information:

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