



31 July 2007

WEAKNESS IN APPROVALS PERSISTS

Building approvals increased in June mainly due to the highly volatile apartment sector.

Dwelling approval figures released today show that building approvals increased by 7.5 per cent in June to a level of 12,953.

Approvals for the highly volatile apartment segment jumped by 23.4 per cent but were still 0.4 per cent lower than a year earlier. Detached house approvals were up by 1.3 per cent to a level of 8,764, just 1.6 per cent higher than in June last year.

Approvals were lower over the June quarter, down 0.6 per cent to be 1.1 per cent off the level of the June 2006 quarter. Detached house approvals were up by a moderate 1.7 per cent while multi-unit approvals were down by 5.5 per cent in spite of the strong June monthly result.

Australia's peak building industry body, HIA, said that building approvals through the first half of 2007 were running at nearly 1,900 fewer per month than the level required to satisfy underlying demand.

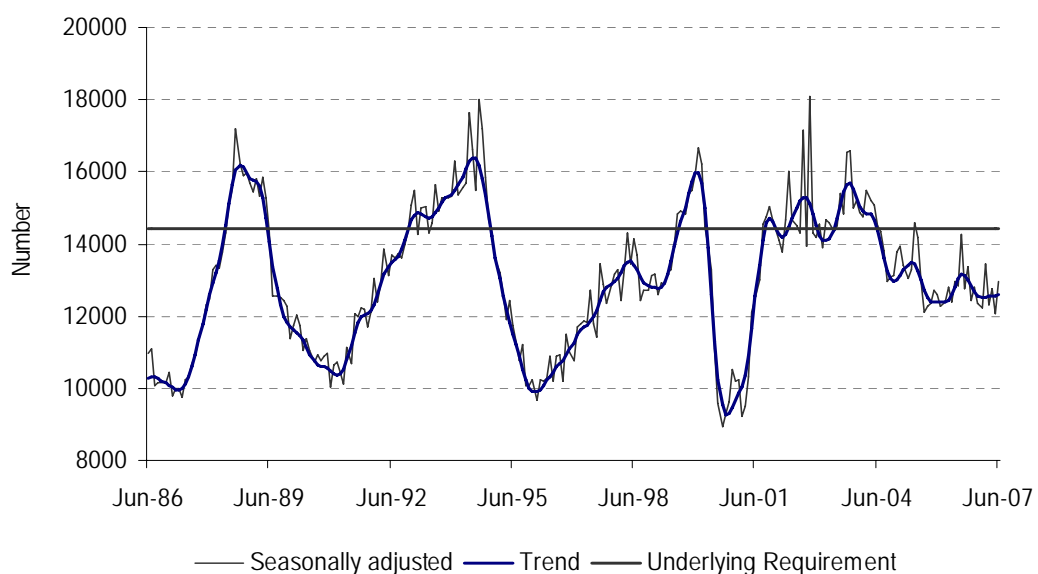
HIA's Chief Economist, Mr Harley Dale, said leading indicators of housing remained a long distance off pointing to a significant and sustainable recovery in new home building.

"The new housing sector is still struggling to gain traction under the weight of record low housing affordability and you'd have to say that June was a disappointing quarter," Mr Dale said.

"Over the June 2007 quarter building approvals were either flat or lower in six out of eight states and territories across Australia," Mr Dale said.

"The soft quarterly result highlights the importance of addressing the crisis in affordability. Recent measures announced on infrastructure funding, a cost currently borne by new home buyers, are a welcome step in the right direction," Mr Dale added.

Building Approvals - Australia



Further information:

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