

MEDIA RELEASE

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HOUSING APPROVAL DATA RINGS ALARM BELLS

A continued slump in building approvals data should ring alarm bells on the need to move swiftly on reforms to boost housing production and economic growth, according to the Urban Development Institute of Australia (UDIA).

Figures released by the Australia Bureau of Statistics this week show building approvals fell by 9.7 percent in July and are now down by approximately 30 percent in the past 12 months.

“The improved sentiment from the election outcome, interest rate cuts and changes to lending standards is yet to translate into activity on the ground,” says Connie Kirk, UDIA National Executive Director.

“Every home not being built is a lost opportunity to stimulate economic growth, generate jobs and boost supply chain effects that wash through the entire economy.

“There is a dual risk – we see a further weakening of economic activity at a time when it is desperately needed, and housing markets once again see an imbalance between supply and demand, which feeds into prices.

“The slump in building approvals is a clear signal that there is no time to waste in advancing policy reforms that can lift the pace and scale of new housing construction.

“The commitment to help close the deposit gap for homebuyers has to be designed in a way that broadens access and removes barriers to participation.

“The states also need to play a role in stripping back excessive taxes and charges, red tape and complex planning regimes that suppress investment and stall projects,” says Connie Kirk.

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