

MEDIA RELEASE

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APPROVALS NEED TO KEEP LIFTING TO SATISFY DEMAND

Tentative signs that housing approvals have stabilised are encouraging but need to be balanced against the wide gaps that still exists between supply and demand, according to the Urban Development Institute of Australia (UDIA) National.

New housing approval data released by the Australian Bureau of Statistics today suggests the long slide in approvals may be over.

However, approvals remain well below the peak of two years ago and out of synch with overall demand.

“Any signal that we have seen the floor on housing approvals is a welcome one, but we’ve still got a long way to go,” UDIA National Executive Director Connie Kirk said.

“They remain 20 percent where they were this time last year and the economy desperately needs to see approvals lift to meet buyer demand, improve affordability and provide a boost to the economy.

“New housing construction is crucial to the nation’s economic trajectory – providing jobs up and down the supply chain, as well as boosting wages and consumer confidence.

“The other feature of the data is how patchy any hint of a recovery remains, with some states still in decline and different trends between greenfield and brownfield markets.

“We need to see any gains on approvals sustained for a period and converted into commencements, as well as improved access to credit for homebuyers.

“The Government’s first home owners deposit gap scheme has the capacity to solve part of the problem, but a full-throated effort across planning, regulatory and tax systems is needed to fix housing markets.”

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