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MEDIA RELEASE

## Approvals start 2017 on positive footing

Today's building approvals data from the ABS indicate that a slight expansion occurred during the month of January, said the Housing Industry Association (HIA), the voice of Australia's residential building industry.

"New dwelling approvals grew during the first month of 2017, supported by stronger activity on the multi-unit side," explained HIA Senior Economist Shane Garrett.

During January 2017, total dwelling approvals increased by 1.8 per cent. This was the result of a 6.6 per cent expansion in multi-unit dwelling approvals – while detached house approvals actually fell by 2.2 per cent during the month.

"New dwelling approvals have been falling back over the past year, particularly due to a reduced inflow of new multi-unit projects," Shane Garrett remarked.

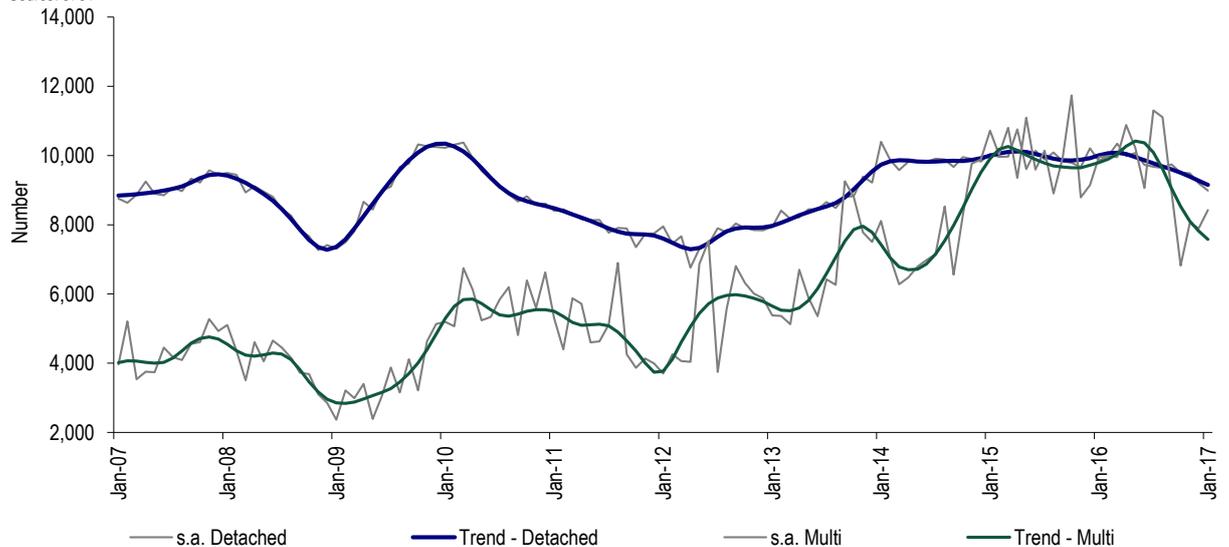
"With new dwelling approvals falling back from record highs during 2016, new home commencements are set to decline during 2017. The latest HIA forecasts released today indicate that new dwelling starts are likely to contract by 11.8 per cent in 2017 and by 13.4 per cent during 2018 – largely due to considerably weaker activity on the multi-unit side," added Shane Garrett.

"Even so, new dwelling starts are likely to bottom out at around 174,000 per year – still a significant amount of activity by almost any standard," concluded Shane Garrett.

During the month of January 2017, total seasonally adjusted new home building approvals experienced the largest increase in New South Wales (+24.0 per cent), followed by Tasmania (+6.6 per cent), South Australia (+6.5 per cent) and Western Australia (+3.5 per cent). During the month, new dwelling approvals saw the biggest fall in Queensland (-11.9 per cent) followed by Victoria (-5.3 per cent). In trend terms, approvals experienced a 2.2 per cent decline in the Northern Territory with a reduction of 19.3 per cent in the ACT.

Building Approvals - Australia

Source: 8731



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