

# Media Release



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## Fall in Housing Finance threatens recovery

The fall in Housing Finance figures released today by the Australian Bureau of Statistics demonstrates that the tenuous recovery in the housing market is in danger of stalling.

The total number of dwelling commitments fell 0.5 per cent in November 2012, seasonally adjusted. The number of commitments for the construction of new dwellings fell 1.8 per cent and commitments for the purchase of new dwellings fell 10.3 per cent, seasonally adjusted.

Peter Jones, Master Builders Australia's Chief Economist said the fall in the number of dwelling commitments jeopardises the nascent recovery in the housing market.

"Loans for the construction of dwellings and for the purchase of new dwellings combined fell back sharply in the month but remain up seven per cent from November 2011.

"Looking through the monthly volatility of these figures, it appears recent interest rate cuts have not yet worked to attract first home buyers into the market.

"The building industry is now precariously placed after initial signs of recovery in the housing market following a long period of downturn.

"The latest Housing Finance and Building Approvals figures are concerning and should provide enough ammunition for the Reserve Bank to cut interest rates at the February meeting," Mr Jones said.

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