

# Media Release



**MASTER BUILDERS**  
AUSTRALIA

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## **Building Approvals Confirm Housing Activity Still Firmly Centred in Sydney and Melbourne**

“The latest ABS building approvals data shows residential building activity remains highly concentrated in Sydney and Melbourne,” Master Builders Australia’s National Manager – Housing, Matthew Pollock says.

“Over the month, approvals in New South Wales and Victoria accounted for 66 per cent of total residential building in Australia, with Victoria outpacing New South Wales for the second month in a row,” he said.

“Overall, total dwelling approvals improved by 1.8 per cent in January, supporting a more positive picture for dwelling investment shown in the national accounts earlier in the week. Master Builders’ projections are for a few more months of strong residential building activity before moving past the current peak,” Matthew Pollock said.

“Apartment approvals continue to drive positive prospects in the market, growing by 6.2 per cent in January 2017 and accounting for 48.3 per cent of new home approvals,” he said.

“Some moderation in residential building activity is to be expected over the next 12 months as the industry comes to the end of one of the biggest housing booms in history. But very high auction clearance rates and double digit house price growth in Sydney and Melbourne suggest there is still some remaining pent up demand in those markets,” Matthew Pollock said.

“Non-residential building approvals have slipped for another month, falling by 16.3 per cent. As the national accounts demonstrated yesterday, non-residential investment finished 2016 strongly, supporting Master Builders projections for a more positive year for non-residential building activity in 2017,” he said.

“The release of the national accounts data earlier in the week and today’s building approvals data sends an important message. That is, the residential building sector will continue to make an important contribution to the economy, with 2017 shaping up to be a record year for home building, but policy makers cannot rely on the housing market to continue to do the heavy lifting in our economy, particularly if the interest rate cycle starts to turn in the year ahead,” Matthew Pollock said.

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