

# Media Release



**MASTER BUILDERS**  
A U S T R A L I A

03 July 2017

## **Fall In Approvals Firms Downward Trend In Residential Building Activity**

Approvals for construction of new homes fell by 5.6 per cent in May, despite recording positive growth in April 2017.

“This latest result firms a downward trend in dwelling approvals which began to emerge around mid-2016, with dwelling approvals over the year down by 31.3 per cent,” Matthew Pollock, National Manager Economics and Housing said.

“Total dwelling approvals fell to 16,448 in May, well down from the peak of over 21,000 recorded for two consecutive months in July and August 2016,” he said.

“But on the other hand, auction clearance rates remain very high in Sydney and Melbourne and rents are still growing, suggesting there are still pockets of high demand and low supply,” Matthew Pollock said.

“By the Government’s own estimates, there is a housing shortage in Australia which currently sits around 100,000 dwellings,” he said.

“There is a concern that if the current weakness in approvals turns into very low new housing commencements, then we could see supply constraints once again push up house prices,” Matthew Pollock said.

“Recent work by Master Builders shows the Government’s housing affordability measures, as announced in the May Budget, could support the construction of up to an additional 100,000 new homes over the next four years. As such we urge the Parliament to pass these measures in full to support housing affordability and keep homeownership within reach of ordinary Australians,” Matthew Pollock said.

### **For further information contact:**

Ben Carter, Director Media & Public Affairs, 0447 775 507