

Media Release

Alarming fall in home building renews call for help

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Residential construction continues to plunge as the latest Australian Bureau of Statistics figures show new building approvals down more than 13 per cent compared to this time last year.

Master Builders Housing Director Jason Robertson says the WA Government must commit to the First Home Owners Boost to throw the building industry a lifeline.

“In WA the approvals numbers have dropped 8.8 per cent, with the figures for units and apartments particularly worrisome,” Mr Robertson said.

“These latest figures, coupled with earlier data showing housing investor loans having declined by 14.2 per cent in Western Australia over the past year, continues to ring serious alarm bells to the deterioration of market conditions.

“The Housing Industry Forecasting Group predicts 18,000 total dwelling starts for 2018/2019 but that figure could change with current economic conditions. Continued negative data on building approvals and investment doesn’t offer much positive sentiment for this financial year.”

Mr Robertson said the likelihood of further tightening to lending conditions, rising interest rates by mid-2019 and a dampening of investor demand due to the Foreign Buyers Surcharge meant Government action was vital.

“Master Builders has repeatedly called on the Government to act, including reintroducing the First Home Owner Boost payment of \$5,000 which was removed in June 2017. Analysis clearly showed the boost payment increased first home owner activity.

“The Government needs to seriously consider a stimulus package to support residential builders leading up the 2019 budget. An adrenaline shot is needed to assist the residential building sector, one of the largest and most important to the state economy.”

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