

Media Release

Decline in building approvals justifies boost

July 4, 2019

New Australian Bureau of Statistics figures reveal a continued downward trend in residential construction, supporting the decision by the State Government to assist builders and first home buyers through the Keystart program.

Master Builders Executive Director John Gelavis said the figures released this week reflected the ongoing strain in the residential building industry but recent Keystart changes and the reduction in interest rates offered a chance of recovery.

“The opportunity to get the West Australian housing market moving again has never been greater, so the Reserve Bank decision to reduce interest rates comes at a welcome time as the State Government commenced its housing stimulus and support for first home buyers by widening eligibility for Keystart loans,” Mr Gelavis said.

“In May, the WA housing approval numbers have dropped 4.7 per cent on the previous month and are 15.3 per cent lower than May 2018. Units and apartments continue to decline with numbers dropping 24.5 per cent from May 2018 to May 2019 and detached housing declining 12.1 per cent over the same period.

“In terms of the broader building and construction industry, the interest rate cut is just one factor in boosting economic growth. Fast tracking major capital works projects in conjunction with the current civil and engineering projects underway and social infrastructure such as education and health facilities will make a big difference to economic confidence and prosperity in WA.

“A strong building industry means a strong economy,” concluded Mr Gelavis.

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