

Media Release

ABS: Building Approval Down 7.1%

Recent statistics (Australian Bureau of Statistics 2021), show that the monthly figures on building approvals are fast going down.

In May 2021, the seasonally adjusted estimate for approved total residences fell 7.1% while the private sector dropped down to 10.3%.

John Gelavis, Executive Director for Master Builders WA told The Property Tribune that:

“The number of building approvals for new homes dropped back in May as the significant impact provided by HomeBuilder and the WA Builder Bonus starts to fade.”

“During May 2021, the total number of new home building approvals declined by 8.7 per cent in seasonally-adjusted terms compared with April, which was impacted predominately by detached house approvals down 17.1 per cent.

“The three months to May compared to 2020, still remains up by a whopping 122.3 per cent in new home building approvals.

“There appears to be some rebalancing going on in the market, with an apparent switch from detached house building to higher density as medium density approvals rose in WA by 57.7 per cent from April”.

“The industry is extremely busy, which is great for the economy, as for every dollar that is spent in the building and construction industry, there is a three-dollar multiplier effect throughout the economy.

“The industry has also been going through some challenging times, as these measures have done their job, and in doing so created unprecedented demand. This demand, in addition to Covid19, has affected state, national and, global supply chains, which has caused significant delays in materials and price escalations in both materials and labour.

“These are out of the builder’s control, and the industry is doing its best to support its clients in all sectors including housing, commercial and civil construction. Additionally, we have seen natural disasters such as Cyclone Seroja and Wooroloo Bushfires also impact the state where the industry is being asked to assist in rebuilding these important communities.

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“Today’s announcement of a new \$5.2 million Jobs and Skills WA Adult Apprentice Employer Incentive (AAEI) for eligible businesses when they hire a mature age apprentice and extension of Apprenticeship and Traineeship Re-engagement Incentive are positive developments by the State Government as they are committed to training and addressing the challenges the industry faces.

“The industry is being backed by State and Federal Governments to lead the recovery out of Covid19, ensuring that it is classed as an essential service and supporting it with a strong pipeline of work and keep West Australians employed. This is why building industry training is a key part of the state’s recovery and plan for growth in employment, and Master Builders intends to put forward a range of further recommendations at the summit”.

“These delays and new demands have a significant effect on builders and Master Builders is working hard at a state and federal level to seek potential solutions for this issue, so we ask the public to be patient and kind, as these shortages are impacting all parts of our sector, and everyone is doing their best in some very challenging circumstances.

John Gelavis, Executive Director, Master Builders Association WA.

For more information please contact:

Executive Director John Gelavis – w: 9476 9800 m: 0428 884 392