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## Narrow Base To December Rise In Approvals, Says HIA

Building approvals rose in December 2010, driven almost solely by private sector other dwellings, said the Housing Industry Association, the voice of Australia's residential building industry.

HIA Senior Economist, Andrew Harvey, said that total residential building approvals rose by 8.7 per cent in December 2010 to be up by 1.8 per cent over the quarter. Total approvals in the December 2010 quarter are 3.4 per cent lower than in the same quarter of 2009.

"The December approvals are driven almost singularly by private sector other dwellings which rose by 21.3 per cent, while private sector detached dwellings were flat in December and are down by 16.0 per cent over the course of 2010," said Andrew Harvey.

"Private sector other dwellings is a notoriously volatile market segment, so it's hard to read too much into this result. However, a modest upwards trend is evident and in the current climate anything pointing to an improvement in residential building conditions is highly welcome," noted Andrew Harvey.

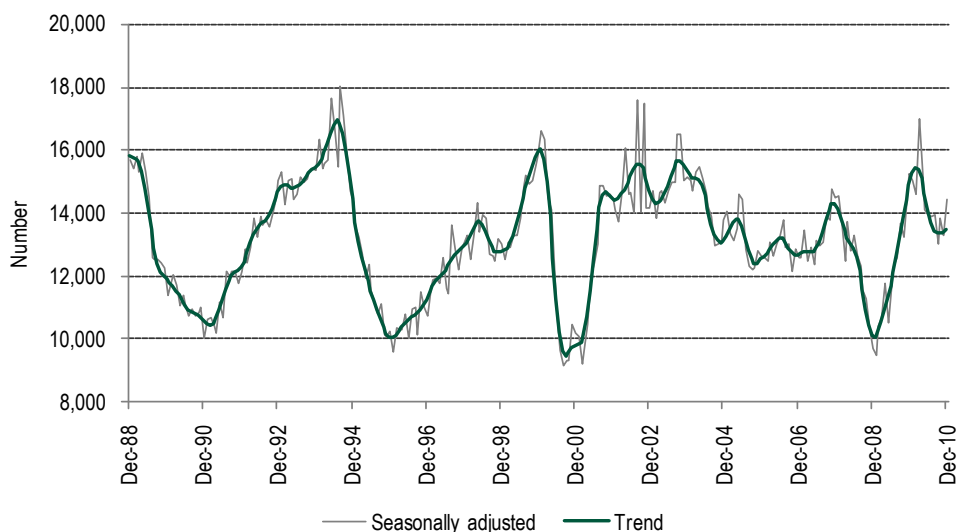
"Although it comes off a weak base in November, an increase in original terms of 724 approvals for other dwellings in NSW, and 620 in Victoria account for much of the December result," Mr Harvey stated.

"Unfortunately the core detached housing segment of the market is not doing well, with private sector approvals flat in December and South Australia performing particularly poorly with a fall of 11.2 per cent in December," added Andrew Harvey.

Much of the monthly December headline result is driven by a 16.7 per cent rise in NSW approvals (seasonally adjusted) although this follows a 12.0 per cent decline in November. The December approvals figures also show increases in Victoria (up by 11.4 per cent), South Australia (up by 1.1 per cent) and Tasmania (up by 9.9 per cent). The jurisdictions experiencing a fall in approvals in December 2010 were Queensland (down by 5.7 per cent) and Western Australia (down by 4.2 per cent). In trend terms approvals in the ACT were up by 7.5 per cent while Northern Territory approvals fell by 12.0 per cent.

Building Approvals - Australia

Source: ABS 8731



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