

media release



MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
ABN: 38 004 255 654

03/08/2009

Councils Failing the Australian Dream

A survey has found housing affordability is under threat due to lengthy planning delays, which are pushing up the price of homes by \$19,500.

Master Builders *Building Trends* survey, has found Victorian builders experienced on average 18 week delays in securing a planning permit - the required minimum is 8.6 weeks.

Builders also indicated that the performance of Melbourne's inner-city councils was worse than regional and outer-metro councils, averaging 23 week delays.

Master Builders Deputy Executive Director, Radley de Silva, said these stats are a huge disappointment considering the reduction in work in the industry.

"These added costs and delays are counterintuitive, especially at a time when governments are working to stimulate the building industry, secure jobs and make home ownership more affordable," he said.

"Disappointingly, there has been little improvement on the 2008 figures. Economically, a lot has changed in the last twelve months and we would have expected faster turnarounds.

"Too often local politics and NIMBYism (Not in my back-yard) influence planning outcomes. Our members consistently report local planning is the biggest barrier to new construction, new jobs and affordability.

"Each week of delay increases project costs such as interest on loans, land holding costs, legal fees and keeping staff on-hand.

"Builders want more support from local councils in order to maintain employment and improve housing affordability."

Key 2009 Survey Statistics:

- Council planning delays add an average of \$19,500 to the cost of residential building projects;
- It takes an average of 18 weeks for builders to secure a planning permit; and,
- Builders said they had an average of five projects held-up in planning in the last twelve months.

2008 figures:

- Council planning delays added an average of \$19,000 to the cost of residential building projects;
- It took an average of 19.4 weeks for builders to secure a planning permit; and,
- Builders said they had an average of four projects held-up in planning in the last twelve months (leading-up to June 2008).

ENDS

Further information: Radley de Silva, Deputy Executive Director, 0402 044 074

Media enquiries: Greg Haraldson, Media Adviser, 0438 427 766, ggharaldson@mbav.com.au

www.mbav.com.au