

NSW housing approvals are dropping at a time when we need them to increase

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The Australian Bureau of Statistics latest data on Housing Approvals indicates that NSW approvals are dropping compared to Victoria says the Urban Taskforce.

“Housing approvals in Victoria are now exceeding those in NSW with 6,878 approvals in January 2018 compared to 5,410 approvals in NSW. This is despite the fact that Victoria's population is 20% lower than that in NSW.

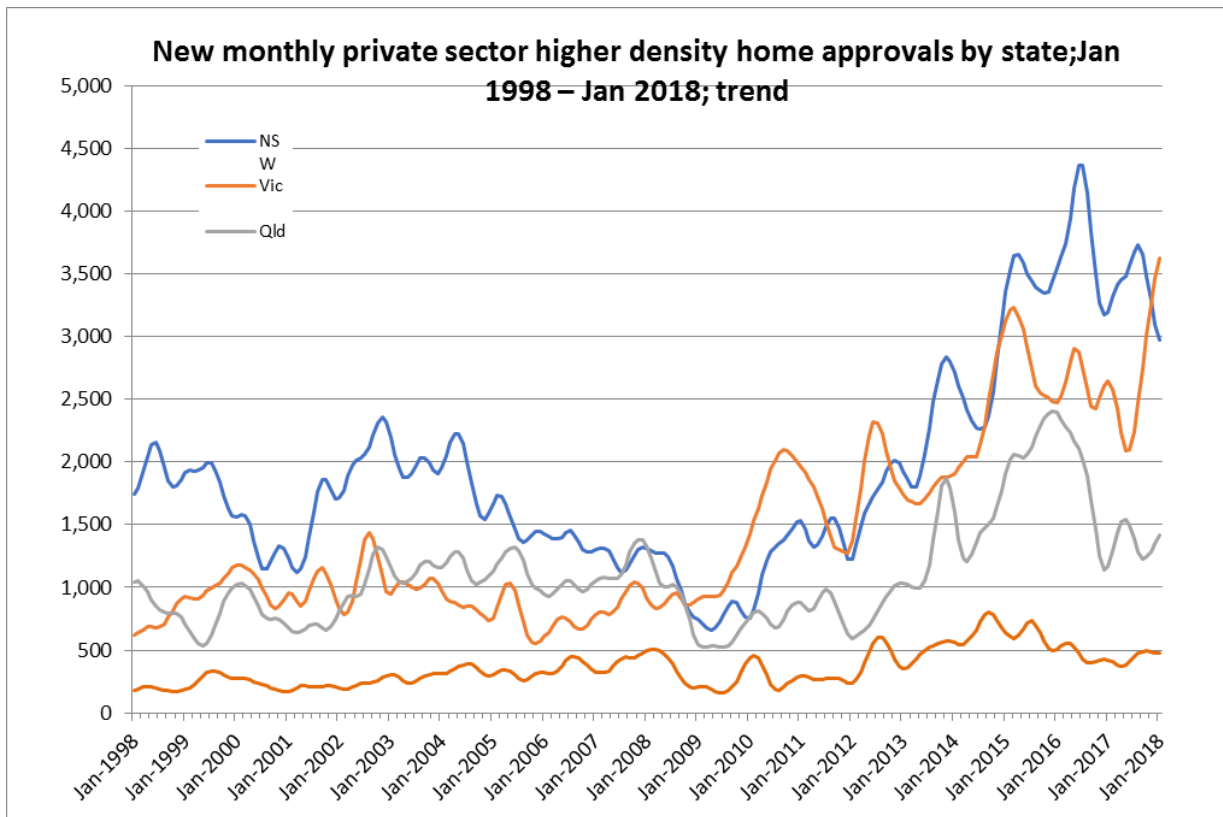
“The biggest drop has been in high density apartments where in July 2016 there were 4,361 apartments approved but this has now dropped in January 2018 to 2,974. Victoria even though it is 20% smaller than NSW in population approved 3626 new apartments in January 2018 compared to the 2974 in NSW.

One area where NSW is ahead of Victoria is in the approval of non-residential projects. The value for NSW non-residential projects in January 2018 was \$1,323,427,000 compared to Victoria's \$1,126,472,000.

The drop in approvals in NSW is mainly occurring across Sydney where the confidence level in starting new projects is tapering off. This has been as a result of substantial delays in getting approvals, uncertainty over levies and restraint from banks who are not lending as much as they used to for housing.

The NSW government needs to carefully monitor the downward trend to ensure that housing supply continues at higher levels. The only way we can put downward pressure on housing prices is to ensure housing is supplied in the locations where people would like to live.

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