

# Non-residential building approvals drop by 31% in NSW

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The latest Australian Bureau of Statistics (ABS) figures for April 2018 show a big drop in non-residential approvals for NSW, says the Urban Taskforce.

“The April 2018 approvals for non-residential buildings in NSW have dropped from a high in December 2017 of \$1,272 million to \$877 million in April 2018 according to the ABS trend figures released today,” says Urban Taskforce CEO Chris Johnson. “This represents a drop of 31% over a 4 month period which is of concern in relation to the jobs that flow from construction.”

“The residential approvals however seem to be stable with 5,744 approvals in April 2018 which is just ahead of the 5,691 approvals in March. Both detached houses and higher density apartment approvals were steady.”

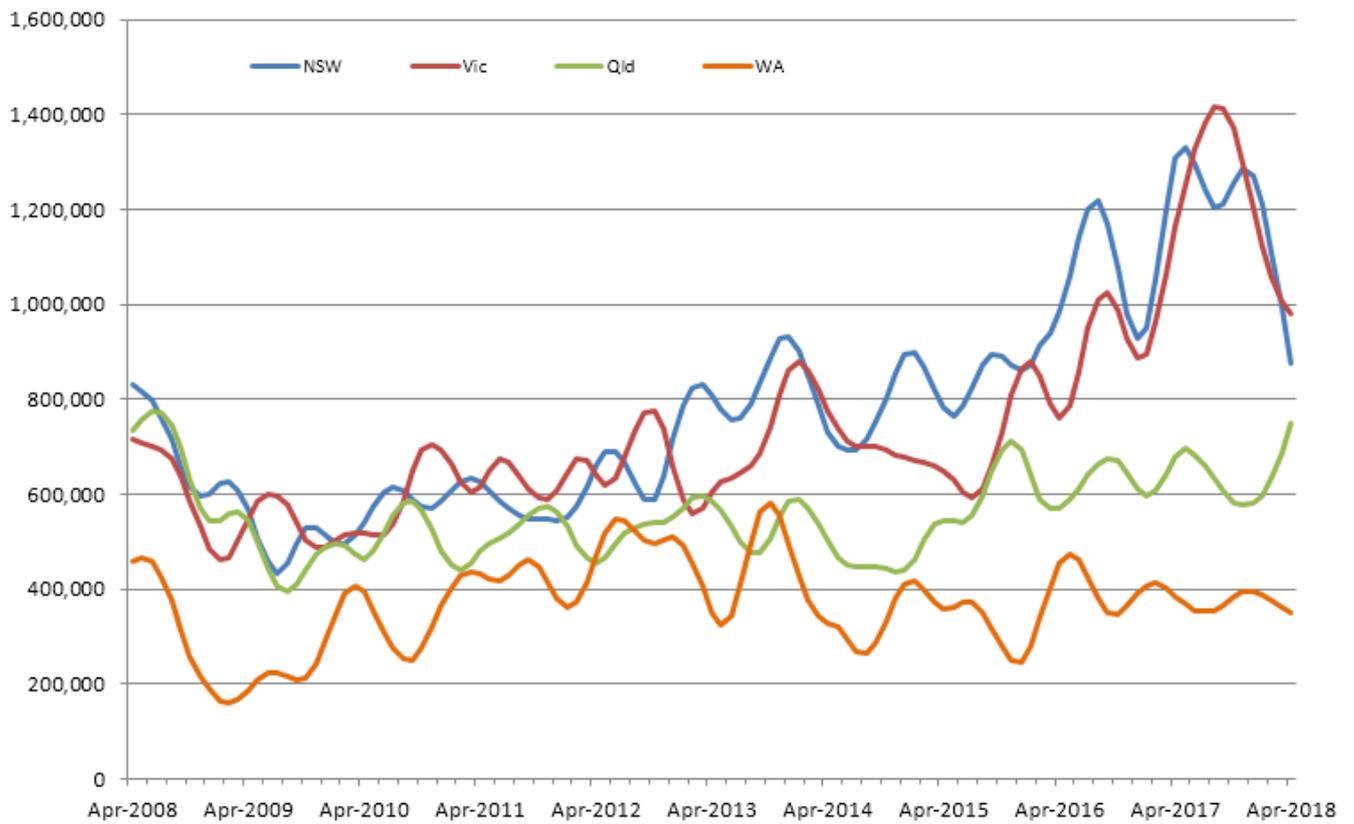
“There are concerns that the current slow-down in the sales of homes, particularly for pre-sales for apartments, could mean some projects will be delayed therefore reducing the job potential from residential construction. It is also clear that housing sales are slowing with the recent announcement by the NSW Treasurer of a drop in sales tax returns to the state government from the sale of new and existing homes.”

“The NSW Government will need to carefully watch the slowing amount of activity in the building construction sector that will impact on the 400,000 jobs currently generated by the sector. There are a number of levies applied by the state government and by councils that are impacting on the cost of housing that could be modified to help boost the supply of much needed housing particularly in Sydney.

“The Urban Taskforce is keen to work with the NSW Government to ensure that the significant number of jobs generated by the development sector is maintained over short and long term periods.

See graph based on ABS figures below:

### Nominal \$'000 value monthly non-residential building approvals by state; trend



The **Urban Taskforce** is a property development industry group, representing Australia's most prominent property developers and equity financiers.

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