Urban Taskforce
AUSTRALIA

MEDIA RELEASE

NSW housing approvals flat but non- residential approvals falling

Tuesday, 03 July 2018

The May 2018 data from the Australian Bureau of Statistics (ABS) indicates flat housing approvals in NSW but falling non-residential approvals, says the Urban Taskforce.

"The non-residential building approvals in NSW have dropped by 25 percent between December 2017 and May 2018 which is of concern," says Urban Taskforce CEO, Chris Johnson. "In December 2017 non-residential approvals were valued at $1,272,944,000 but six months later this has dropped to $957,551,000 according to the latest release of ABS building approval data."

"Over the six months from December 2017 to May 2018 the high density residential approvals were flat with 3,221 approvals in December rising slightly to 3,256 in May 2018. Overall NSW housing approvals were also flat with 5,691 approvals in December 2017 and 5,860 approvals in May 2018."

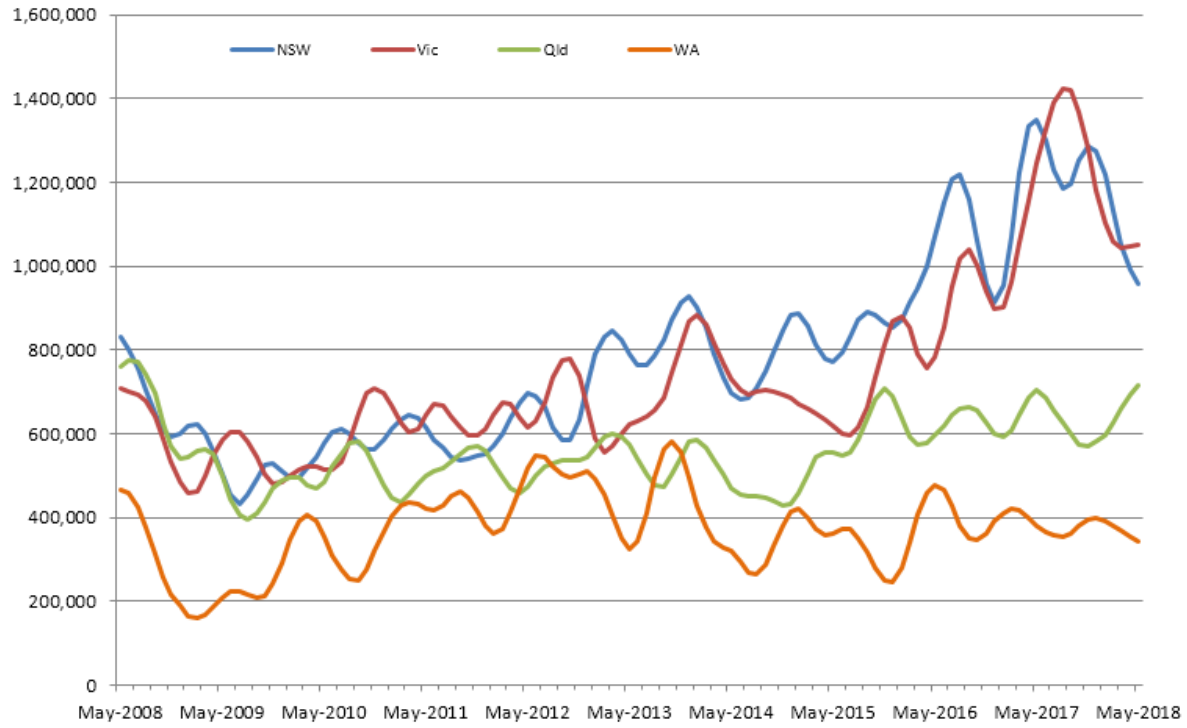
"The signals in the industry are that there is a slow-down building up in the housing market that will carry on for some time but that the slow-down will not be dramatic. Normally the non-residential building sector balances a slow-down in residential construction but it appears this is not happening."

"Sydney still has a need for large numbers of new homes so the NSW Government will need to carefully monitor the trends ahead to ensure new housing supply continues at a steady rate. The Urban Taskforce is concerned that the lifting of caps on infrastructure contributions and potential value capture and affordable housing levies could add costs to housing development at a time when the industry is slowing. This would lead to even less housing projects going ahead."

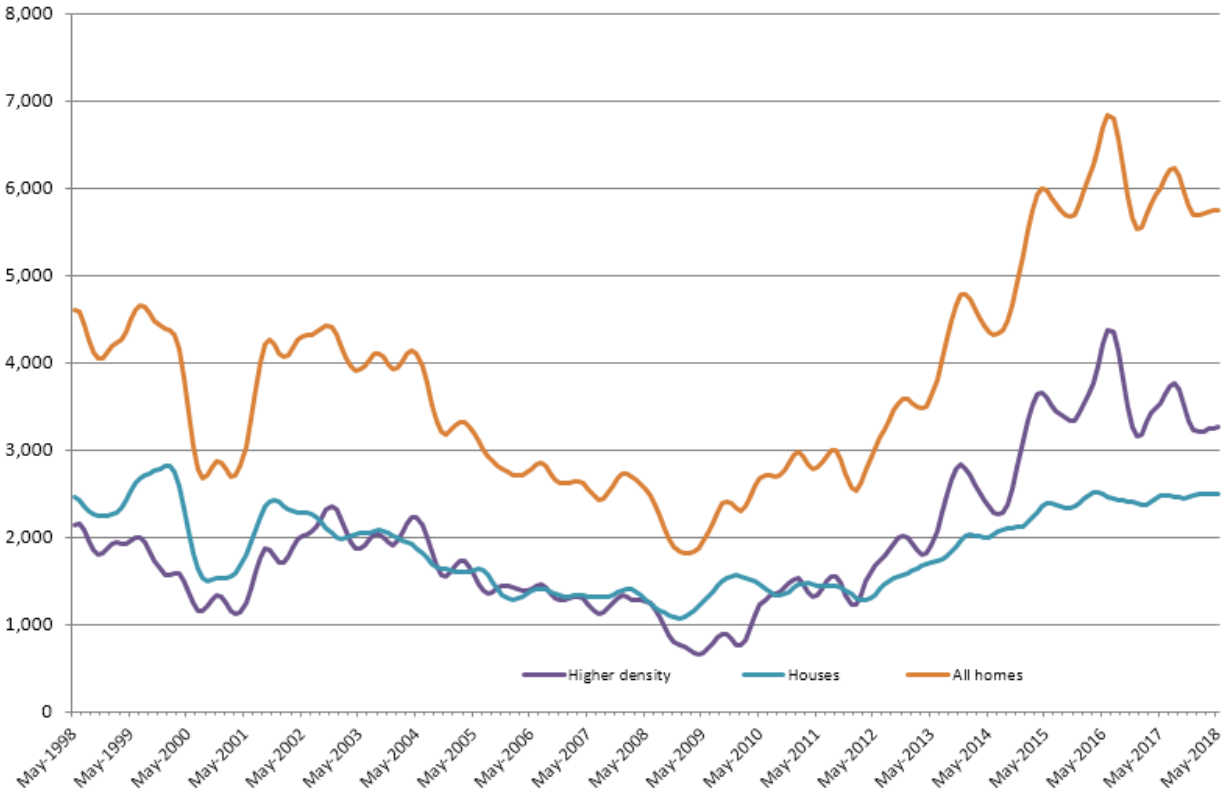
"We are also concerned that in the lead up to the next NSW election in March 2019 there is a significant amount of anti-development discussion in the media and a number of politicians are using the concerns in the community to put planning for new housing on hold. A pre-election slow-down in development approvals could lead to a more difficult post-election environment where housing supply went backwards."

See graphs based on ABS figures below:

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



New monthly private sector home approvals NSW; May 1998 – May 2018; trend



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

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