

Residential Construction falling in NSW

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The Australian Bureau of Statistics (ABS) data on residential construction work done has fallen in NSW in the December 2018 quarter says the Urban Taskforce.

"Residential construction work done in NSW in the December 2018 quarter has fallen by \$356,717,000 since the June quarter of 2018." Says Urban Taskforce CEO Chris Johnson "This represents a 5 per cent fall over 6 months and it looks like the graph is falling more over future quarters as the housing construction market slows down. Many Sydney developers are finding it very difficult to attract pre commitments from investors or owner occupiers for apartments in the current market."

"While the drop in residential building construction is modest it needs to be seen against a big drop in approvals for apartments across NSW of 33 per cent over the last year. The flow on from the banking Royal Commission that has slowed lending is continuing and the negative environment towards new development created by the state election on 23 March is contributing to the slow down. The falling prices for houses and apartments in Sydney are also leading to purchasers putting off decisions until the market bottoms in the future."

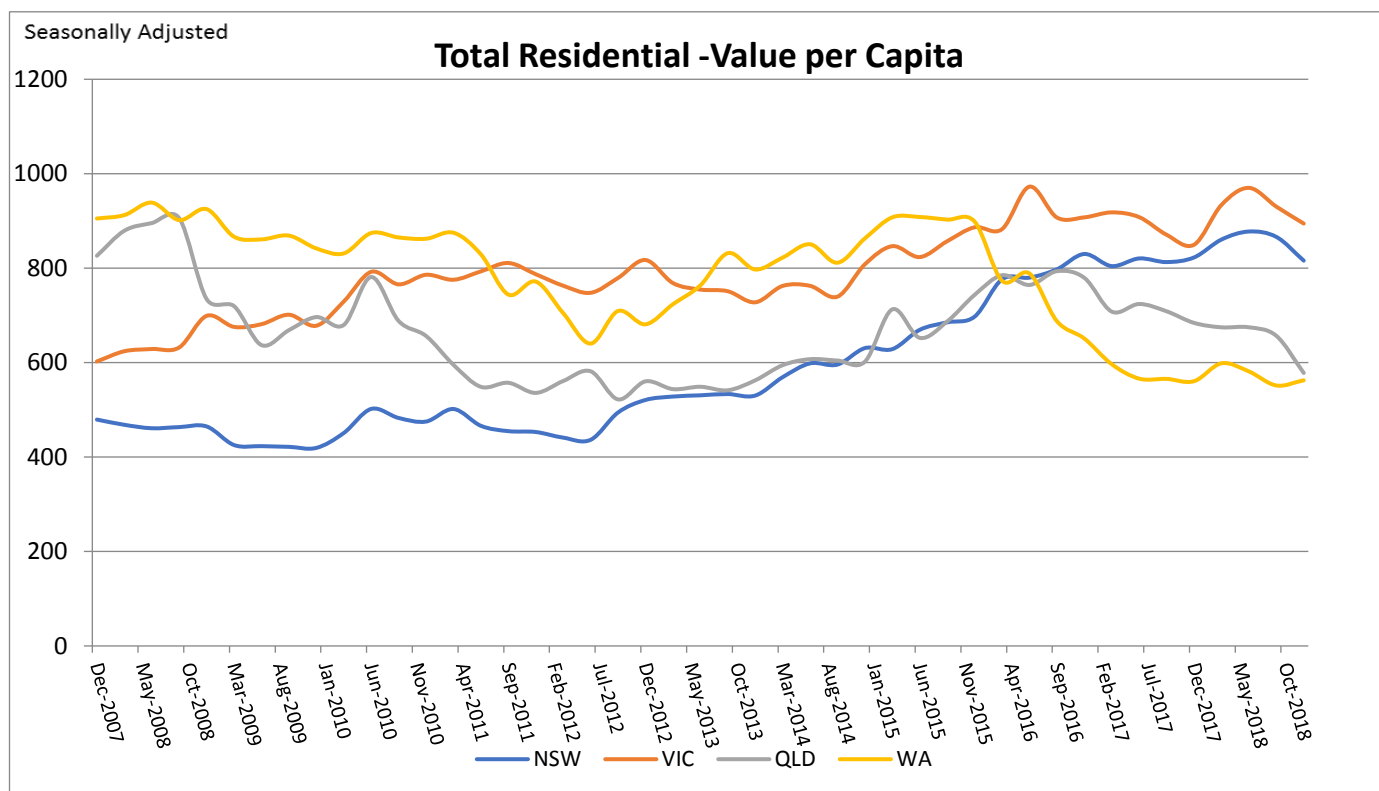
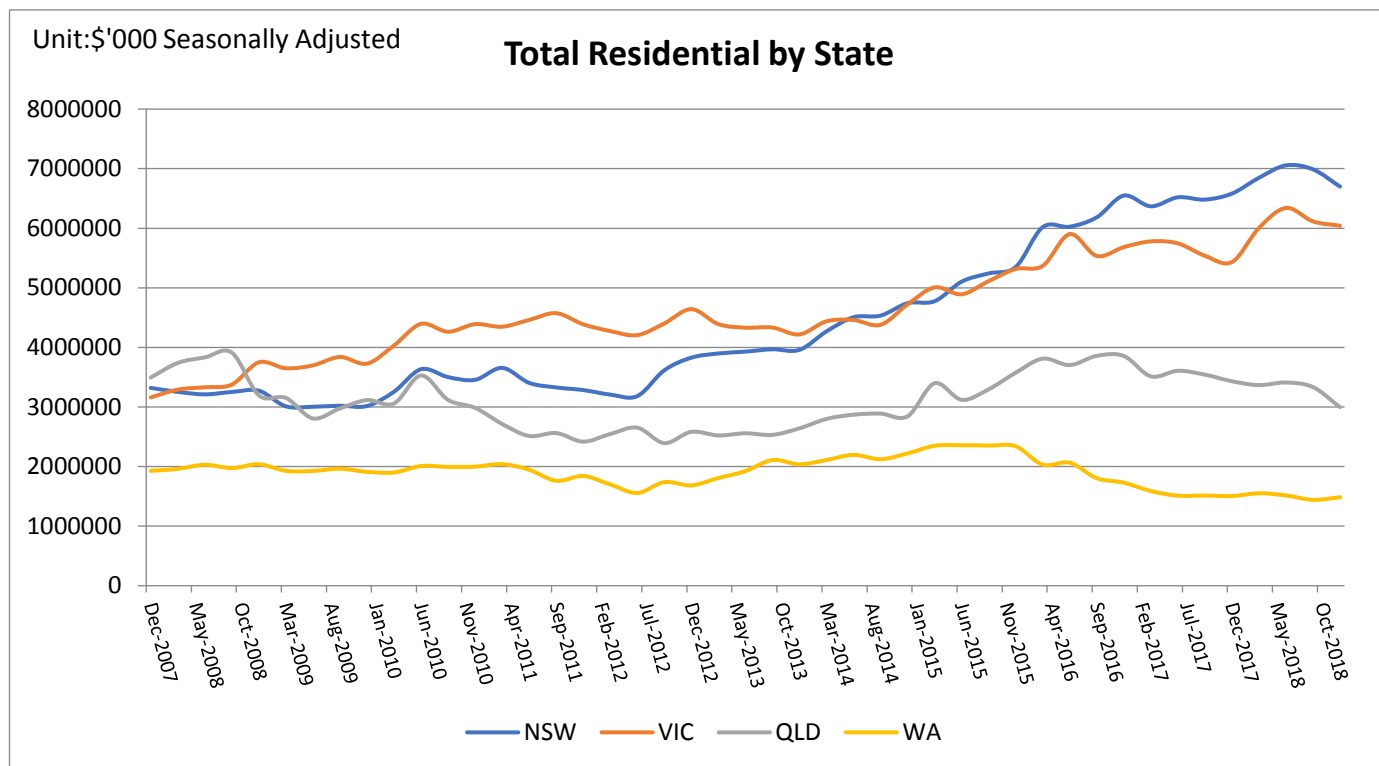
"The residential construction sector supports 300,000 jobs in NSW and continuing falling home production will begin to impact on the jobs in this sector."

"The non-residential sector which is around a third of the size of the residential sector is more stable with NSW expenditure at \$2,524,336,000 and Victoria at \$2,349,161,000 trend and seasonally adjusted over the quarter."

"On a per capita basis Victoria is spending more on residential construction with \$894 per person followed by NSW at \$816, Queensland at \$578 and Western Australia at \$348."

"The Urban Taskforce is concerned that residential construction and approvals are now dropping and that whoever is elected to form government in NSW on 23 March will need to reverse these trends to maintain jobs in the industry."

The graphs below are based on the Australian Bureau of Statistics data.



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

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