

Drop in NSW building approvals demonstrates Planning Reform still needed

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The monthly building approval data from the Australian Bureau of Statistics shows NSW's approvals dropping, says the Urban Taskforce.

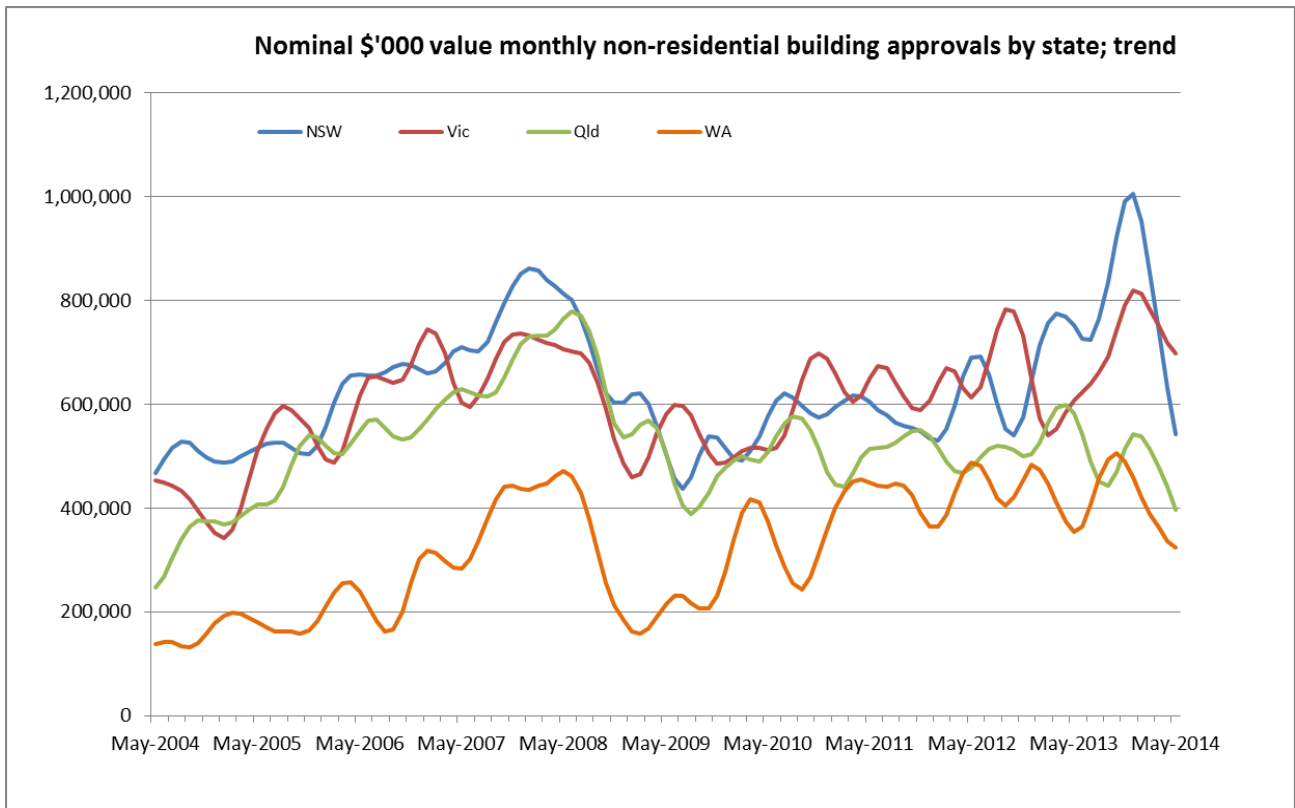
"The May approval figures from the ABS indicate a fall in housing approvals particularly in the high density sector," says Urban Taskforce CEO, Chris Johnson. "Recent approvals have been strong in NSW so a correction is to be expected but the drop in higher density approvals is of concern. Major apartment projects generally come with large numbers of individual units but with low interest rates and significant off shore investment a fall in approvals was not expected."

"Even more worrying is the value of approvals in the non-residential sector which has halved since December 2013. The value of NSW non-residential approvals in December 2013 was \$1,005,113,000 but the May 2014 value of approvals has fallen to \$543,083,000 which is almost half the figure 5 months ago."

"While monthly figures can go up and down, the consistent drop in both housing and non-residential markets is a signal that the NSW Government must continue to give confidence to the development industry through reforming the planning system. With an election only 9 months away the concern is that planning reform, local government reform and the Metropolitan Strategy for Sydney all appear to be on hold. Our neighbouring cities of Brisbane and Melbourne have recently completed their city plans with robust attitudes to support growth. Sydney's plan is on hold and may be delayed even further as the proposed Greater Sydney Commission gets underway."

"If the drop in approvals continues into coming months the government will need to begin implementing the reform agenda it has been promoting for the last 3 years."

See below monthly non-residential building approvals by state graph (Based on ABS data):



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

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