

NSW approvals drop 20% for apartments and non-residential buildings

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The Australian Bureau of Statistics (ABS) June 2015 approvals for apartments and non-residential buildings in NSW have dropped 20% since February 2015, says the Urban Taskforce.

"A drop in the number of apartment approvals in the first half of this year along with a similar drop in the value of non-residential approvals in NSW is a worrying signal," says Urban Taskforce CEO, Chris Johnson. "Higher Density (Apartment) approvals in June 2015 were 2,589 which is 20% lower than the February 2015 figure of 3,191 approvals."

"Apartment approvals can go up and down as individual projects can include hundreds of apartments but we have seen a downward trend over each of the months of March, April, May and June. We will need to watch the figures for the next few months to see if the trend continues."

"The downturn in apartment approvals could also be a signal that sites are getting harder to find that give economically feasible results. Many sites are now requiring Planning Approvals and where the local council is not supportive the project must go through the government's Pre-Gateway assessment which averages 234 days. If the downturn in approvals continues, the government may need to instigate a priority assessment process for the rezoning of difficult inner city sites."

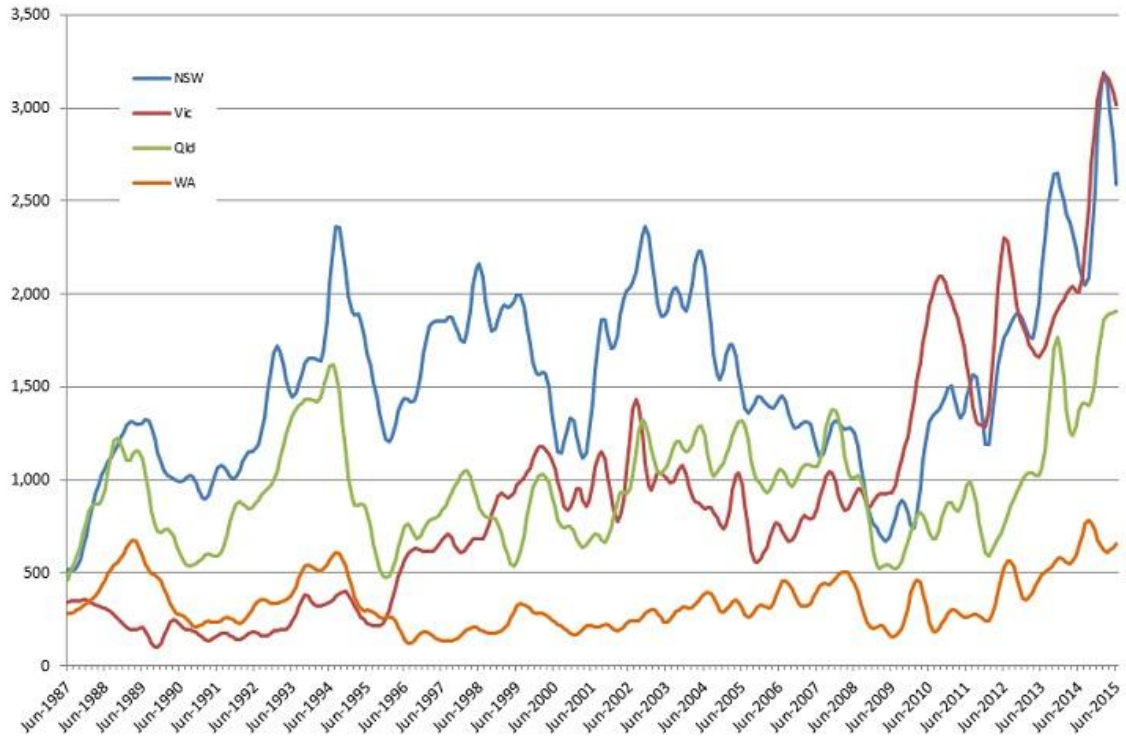
"Non-residential approvals in NSW have dropped from \$802 million in February 2015 to \$609 million in June 2015 which is a drop of more than 20%. Again the drop has been consistent over the months of March, April, May and June."

"Detached housing approvals have risen from 2122 in February 2015 to 2,365 in June 2015 and this increase partially offsets the drop in apartment approvals over the same period."

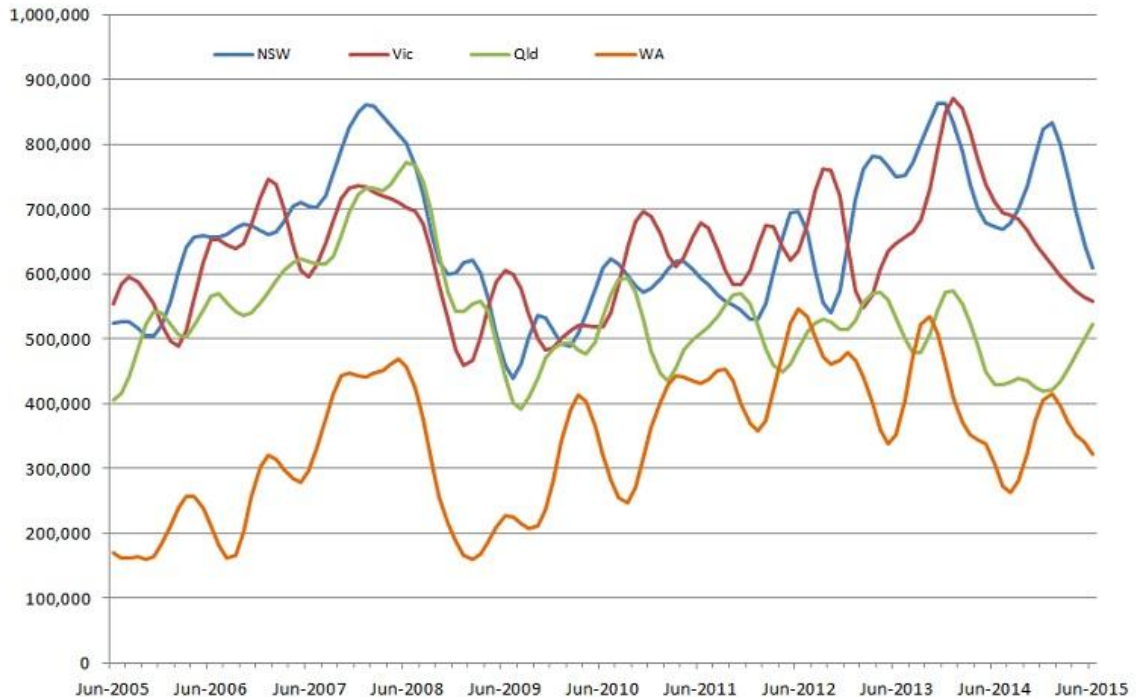
"Generally Urban Taskforce members indicate that confidence in the industry is high with the expectation that growth in housing supply will continue. As the rate of approvals slows down it will be important that rezoning processes do not get too caught up in red tape and that the state government is able to use its Greater Sydney Commission to unlock large sites located where people want to live."

See below graphs for monthly higher density home approvals & monthly non-residential building approvals based on ABS figures:

New monthly private sector higher density home approvals by state; June 1987– June 2015; trend



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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