

State Budget must support first home buyers and industry to create jobs

Next month's State Budget must support first homebuyers and industry if South Australia is to avoid a lull in investment activity until the March election, Master Builders SA says.

Data released by the Australian Bureau of Statistics today shows 601 new homes were approved in April 2017, down 16 per cent on the same time last year and 5 per cent on the average of the last 10 years.

About \$220.8 million of new homes were approved in April, down 13 per cent on the same time last year. While this represents a 14 per cent increase on the 10-year average, the effects of inflation show the industry is falling further behind in terms of activity and value, Master Builders SA Chief Executive Officer Ian Markos said.

"There are people out there who want to buy and invest, but they are sitting on their hands. They want a reason to buy – and the test of next month's State Budget will be whether it does that," he said.

"Removing stamp duty for first homebuyers up to the value of a median-priced home would save them from borrowing to pay a State tax and then paying interest on that tax for 30 years. Imagine the relief if that started in only three weeks' time!

"Investing in new industry initiatives to welcome new technologies and new productive infrastructure could also spark much-needed new jobs.

"Together, this could give young South Australians positive reasons to stay here. That seems to be the sensible first step to growing our population.

"Next month's State Budget is the obvious trigger for new activity. If not, then there is a real risk that people will sit on their hands, waiting for the March 2018 election."

Eastern Coast approvals continue to dominate national activity, although approvals in New South Wales and Queensland appear to be slowing toward their long-term averages.

Ends

For further information

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Available for telephone interviews

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New home building continues to flag:

NUMBER OF SOUTH AUSTRALIAN BUILDING APPROVALS

TREND (dwelling units)

	By Month				By Year					
	This Month	Last Month	This Month	Last Year	Past 12 Months	Previous 12 Months	Ten-year Annual Average			
New Houses - Private	601	604	(0) %	714	(16) %	7,750	7,981	(3) %	8,127	(5) %
Total Dwellings - Private	844	848	(0) %	1,077	(22) %	10,942	11,476	(5) %	10,839	1 %
All Dwelling Units - All Sectors	877	877	0 %	1,104	(21) %	11,221	11,693	(4) %	11,387	(1) %

Source: Australian Bureau of Statistics, Building Approvals, Trend, April 2017, Cat: 8731.0, Table 4.

Industry challenged as value of all building falls significantly behind rising inflation (compound rate over 10 years about 27 per cent):

VALUE OF SOUTH AUSTRALIAN BUILDING APPROVALS

TREND (\$m, not adjusted for inflation)

	By Month				By Year					
	This Month	Last Month	This Month	Last Year	Past 12 Months	Previous 12 Months	Ten-year Annual Average			
Residential - New	\$ 220.8	\$ 218.4	1 %	\$ 253.4	(13) %	\$ 2,628.9	\$ 2,743.9	(4) %	\$ 2,302.3	14 %
Residential - Alterations, Additions	\$ 32.0	\$ 32.2	(1) %	\$ 32.6	(2) %	\$ 394.4	\$ 378.8	4 %	\$ 368.3	7 %
Residential - Total Work	\$ 252.8	\$ 250.6	1 %	\$ 286.0	(12) %	\$ 3,023.3	\$ 3,122.7	(3) %	\$ 2,670.6	13 %
Non Residential - Total Work	\$ 156.8	\$ 174.2	(10) %	\$ 192.9	(19) %	\$ 2,190.7	\$ 2,076.4	6 %	\$ 1,844.3	19 %
Total Building Approvals	\$ 409.6	\$ 424.8	(4) %	\$ 479.0	(14) %	\$ 5,214.0	\$ 5,199.1	0 %	\$ 4,514.9	15 %

Source: Australian Bureau of Statistics, Building Approvals, Trend, April 2017, Cat: 8731.0, Table 33.

While the East Coast continues to dominate national activity:

DWELLING UNITS APPROVED

TREND (number)

	By Month				By Year					
	This Month	Last Month	This Month	Last Year	Past 12 Months	Previous 12 Months	Ten-year Annual Average			
NSW	5,733	5,637	2 %	6,456	(11) %	72,816	71,821	1%	45,988	58%
VIC	5,291	5,468	(3) %	5,821	(9) %	67,194	67,427	(0%)	55,318	21%
QLD	3,446	3,333	3 %	4,304	(20) %	43,055	51,152	(16%)	37,739	14%
SA	954	939	2 %	1,110	(14) %	11,401	11,967	(5%)	11,429	(0%)
WA	1,553	1,590	(2) %	1,876	(17) %	20,306	26,231	(23%)	24,341	(17%)
TAS	187	186	1 %	187	0 %	2,097	2,597	(19%)	2,629	(20%)
NT	60	61	(2) %	127	(53) %	1,087	1,673	(35%)	1,381	(21%)
ACT	328	316	4 %	483	(32) %	5,482	4,877	12%	4,102	34%

Source: Australian Bureau of Statistics, Building Approvals, Trend, April 2017. Cat: 8731.0, Table 7.