

MEDIA RELEASE

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New home building approvals increase in Victoria in May bucking national trend

Official results show that the number of building approvals for new homes was up 3.2 per cent in Victoria in May compared with April bucking the national trend.

The number of building approvals for new homes dropped back 7.1 per cent nationally in May as the sugar hit provided by HomeBuilder fades.

Master Builders Victoria Executive Director Growth and Relationships Melissa Greenall said there appeared to be some rebalancing going on in the housing market, with an apparent switch from detached house building to higher density unfolding.

“During May, new detached house building approvals fell by 5.6 per cent in Victoria (down 10.3 per cent nationally) while medium/high density home approvals were up a massive 39.3 per cent in Victoria (up 0.7 per cent nationally),” she said.

While renovation work had received a major boost from HomeBuilder, Ms Greenall said it appeared Victoria’s circuit-breaking lockdown in late May along with the ending of Homebuilder had put a damper on this market.

Victoria saw the biggest drop in major home renovations in the country.

“Although the value of major home renovations approvals dropped back by 22.7 per cent in Victoria (down 1.4 per cent nationally) during May, activity here is still very high by historic standards,” she said.

“It now seems that strong house price gains are providing a second wind to that part of the residential building market.”

New detached house approvals fell in all eight states and territories during May, although the total number of approvals still increased in Victoria, Tasmania, and the ACT thanks to the strength of medium/high density work.

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We continually assist in developing the skills of our members by providing access to a wide range of services and proactive representation to government and industry. Master Builders Victoria also serves the community by fostering best practice work standards and acting as an independent advisory service for our industry.

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