

media release



MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
ABN: 38 004 255 654

28/06/10

Housing affordability stifled by council delays

The latest Master Builders survey has revealed that lengthy planning delays are pushing up house prices by an average of \$35,000.

Master Builders latest *Building Trends* survey has found Victorian builders are waiting 23 weeks on average to secure a planning permit. The statutory time limit for a council decision is 8.6 weeks.

Master Builders Executive Director, Brian Welch, said these statistics demonstrated that councils were failing the community on housing affordability.

“Each week of delay increases residential project costs such as interest on loans, land holding costs, legal fees and keeping staff on-hand,” said Mr Welch.

“Instead of encouraging home ownership, councils are making homes more expensive for Victorian families,

“The performance of Melbourne’s inner-city councils also leaves a lot to be desired with residential permits taking 31 weeks on average to be processed. Both regional and outer-metropolitan councils continue to outperform the better resourced inner city councils.

“Sadly, there has been little improvement on the 2009 figures. Council delays are continuing to hold up the development of new homes which equals fewer jobs and weaker economic growth.”

“Our members consistently report that local planning is the biggest obstacle to improving housing affordability.

“Builders want more support from councils so they can keep people in jobs and improve housing affordability.”

FAST FACTS

- Council planning delays add an average of \$35,000 to the cost of residential building projects.
- It takes an average of 23 weeks for builders to secure a planning permit.
- It took an average of 18 weeks for builders to secure a planning permit in 2009
- One builder reported having more than 30 projects held-up in the planning system over the past three months.
- Builders had an average of five projects held-up in the planning system.

Media enquiries:

Brian Welch, Executive Director, 0411 501 075

Laura Luvara, Media Adviser, 0466 777 059 lluvara@mbav.com.au