

## **Housing Shortage Tracking to 500,000 by 2020** current at: 18 March 2010

The Housing Industry Association, Australia's largest building industry organisation, today released its inaugural Housing to 2020 report. The report finds that if current building trends persist, then Australia's cumulated housing shortage would reach 466,000 dwellings by 2020.

HIA Senior Economist, Mr Ben Phillips said that Housing to 2020, which focuses on future housing demand and the number of dwellings required in meeting this demand, highlights a current housing shortage that already numbers over 109,000 dwellings.

"The reality in many regions and cities in Australia is that affordable, well located land is not available or abundant. Furthermore, planning restrictions, higher taxation on new housing relative to existing dwellings, labour shortages, and onerous regulation biased toward new housing all add to the problem.

"If we don't get a comprehensive supply response to the accumulating housing shortage then the lack of affordable and appropriately located rental properties will only worsen, while pressures on existing home prices will continue at an undesirable rate, placing avoidable upward pressure on interest rates," Ben Phillips said.

"A lack of skilled labour is an emerging threat to the much needed housing supply response. A second round resources boom this decade will draw heavily on an already tight labour market. The \$90 billion worth of resource projects on the books is expected to demand an additional 136,000 direct and indirect jobs. This labour will need to be housed, adding additional pressure to the supply of labour and materials in non-resource regions."

*Housing to 2020* provides the first estimates made of Australia's housing shortage at a Local Government Area (LGA) level.

"The report finds that shortages exist in just under half (295) of the 669 LGA's across Australia. The majority of the shortages can be found in and around metropolitan Sydney and Brisbane.

"It was also found that many of the LGA's with the largest housing shortage are also the same regions with the highest level of demand. Again, it's the growth areas in the greater Sydney area and in South East Queensland where demand will be amongst the highest in the nation.

"The growth areas in and around Melbourne also show high levels of demand.

"Current construction levels in most high demand areas are simply not sufficient to meet the needs of a fast growing population," said Ben Phillips.

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