

Media Release

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Housing Affordability Choked by Strangled Land Supply

We are now almost three weeks in to the Federal Election Campaign, and the major parties have yet to detail how they intend to address the ongoing housing affordability crisis, which is putting millions of Australian households in financial peril.

The Urban Development Institute of Australia (UDIA) is urging the next Federal Government to work with State Governments to strategically identify and roll out new land in our major capital and provincial cities, which will help increase the supply of housing and improve affordability.

“The supply of new land for residential development in major Australian cities has failed to keep up with population growth over the last decade, resulting in a shortage of new homes and severely reduced housing affordability,” said UDIA National President, Julie Katz.

“According to the Federal Government’s National Housing Supply Council, in the ten (10) years to 2011, Australia had accumulated an undersupply of 228,000 dwellings. By 2031 this is expected to nearly triple to 663,000 dwellings, showing that existing band aid solutions will not change the tide.”

“Federal and State Governments need to be taking a long term view when it comes to city growth by strategically identifying and planning the roll out of new land supply based on demand and population forecasts.”

“From the initial location and assembly of land, the Productivity Commission found that residential developments can take up to fifteen (15) years until the commencement of building.”¹

“Planning for a consistent supply of zoned land will both help communities achieve better planning outcomes, and get families who are now struggling to meet their goal of home ownership into housing.”

The 2013 UDIA State of the Land Report released earlier this year found that the creation of new lots of land in many capital cities such as Perth, Brisbane and Adelaide is declining, despite growing consumer demand for new homes. At the same time, the price of new lots is rising despite smaller sizes, with prices in Perth, Brisbane and Melbourne more than doubling over the last decade.

¹ <http://www.pc.gov.au/projects/study/regulation-benchmarking/planning/report>

“In order to meet the needs of our changing population, it is essential that we have a long term plan for the identification and roll out of land for housing in our cities. Failing to do so will only continue to constrain the supply of new housing, and further exacerbate existing affordability issues” concluded Ms Katz.

In the lead up to the election, UDIA is also calling on all sides of politics to commit to addressing bottlenecks in state and territory planning systems, and to provide more funding for essential infrastructure, which will assist with the provision of new housing.

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