

Record housing completions in Sydney as approvals fall fast

Monday, 19th November 2018

The NSW Housing Monitor has listed record housing completions for metropolitan Sydney but housing approvals are falling fast says the Urban Taskforce.

"The record number of housing completions in Sydney of 44,315 in the year to September 2018 is well above the average annual target of 36,250." Says the Urban Taskforce CEO Chris Johnson "Two years ago in September 2016 the annual completions were as low as 30,580 so the providers of new housing have driven a great uplift."

"Unfortunately the opposite results are occurring with housing approvals over the same two year period with approvals for Greater Sydney down to 48,435 in September 2018 year to date compared to the 59,499 approvals in the year up to September 2016. There is generally a two year lag between housing approvals and completions as many of the projects are large apartment buildings."

"The current sales market for new homes in Sydney has dropped significantly due to the difficulty in getting funding from banks following the Royal Commission into the banking industry. The tightening of purchases by off shore investors as well as the anti-development attitude across Sydney in the lead up to the NSW election in March 2019 has reduced confidence in new housing significantly particularly for the apartment market. Pre sales for new apartments have slowed down significantly."

"The Urban Taskforce is concerned that many of the homes approved over recent months will not proceed to construction in the current climate leading to a slump in housing completions in a year's time. While the planning system can give approvals there are other constraints that are leading to a hold on projects proceeding to construction as their feasibility has changed significantly."

"After the March election the NSW Government will need to bring new policies into place to boost housing supply so that target numbers are met and the 300,000 direct jobs in NSW in residential development are not undermined."

"The Urban Taskforce believes part of the concerns related to over development are coming from councils that are carrying the major housing growth on behalf of Greater Sydney. There needs to be a fairer distribution of growth across the whole of Sydney particularly where good public transport infrastructure exists or is being constructed,"

*The **Urban Taskforce** is a property development industry group, representing Australia's most prominent property developers and equity financiers.*

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