

MEDIA RELEASE

8th February 2021

Minister Stokes lights a fire under Council planners

The NSW Minister for Planning has released an analysis of housing demand and supply trends which highlights the urgent need for more and faster housing approvals if massive price rises are to be avoided.

Urban Taskforce welcomes the frank assessment which clearly states the need for more housing and more infrastructure to support our growing and ageing population.

DPIE Housing Demand forecasts are based on the Greater Sydney Commission's (GSC) 2016 numbers – which find that over the next 20 years (2016 – 2036) the number of new homes in Greater Sydney needed will be 725,000 (36,000 per year).

The Draft NSW Housing Strategy Discussion Paper and Fact Book released by Minister Pavey and Minister Stokes in May 2020 was clear that the forecast for Growth in the population of Greater Sydney had grown and so too had the forecast need for new homes. The May 2020 document is clear in stating that there will need to be 1 million new homes in the 20 years between 2020 and 2040 (that means 50,000 new homes every year).

The big question is: why is DPIE still clinging to the old data? The 2020 Housing Strategy documents were based on sound analysis by DPIE staff and were informed by Demographic analysis and by the NSW Inter-Generational Report.

The Planning System was slowed by the focus on Strategic Planning documents. Councils were not supposed to delay rezoning applications while preparing their new Local Environment Plans and their Local Strategic Planning Statements, but they did.

The data released by Minister Stokes today shows the extent of the problem created by the resultant chronic slowdown in approvals prior to COVID-19.

Between 2015-2018 approvals were going well and this, combined with the extension of construction operational hours and the early declaration of construction as an essential service kept this part of the economy working reasonably well. However, through 2019, before COVID-19, approval numbers were dropping off in NSW.

As shown in the marked-up table, there is a lag between approvals and the completion of new homes. The impact of the 2019 slowdown (which got worse in 2020 due to COVID-19) is yet to flow through to household completion numbers – but it will – and this will exacerbate the current rising prices in the Greater Sydney market.

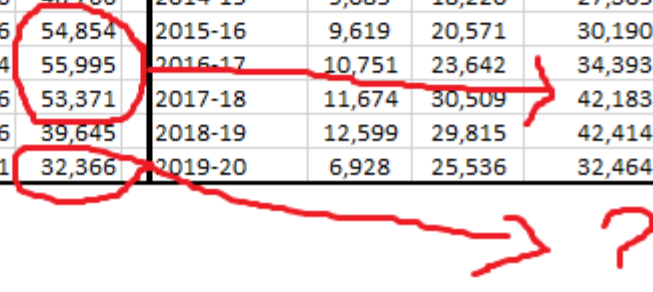
Minister Stokes has sent a clear signal to Councils which are refusing to adopt the GSC 5-year Housing Targets (which are themselves based on the lower 2016 housing forecasts not the more recent May 2020 analysis). Ryde Council and Ku-ring-gai are the worst offenders. They have publicly rejected the GSC targets. If this flows through to other Councils, Housing supply will crash, pushing prices up and costing thousands of jobs in the sector.

The fact that prices are rising despite the drop off in overseas migration reflects the fundamental economic reality: demand is greater than supply, so prices are rising.

The numbers quoted in the Minister's media release will not meet the May 2020 Draft NSW Housing Strategy forecasts for growth.

154,550 new home over the next 5 years equates to only 31,000 new homes each year (well below the GSC 2016 forecast requirement of 36,000 per year and a mile away from the 2020 NSW Housing Strategy target of 50,000 new homes per year).

Greater Sydney Region Dwelling Approvals by Financial Year				Greater Sydney Region Net Dwelling Completions by Financial Year			
Financial Year	Detached	Multi-Unit	Total	Financial Year	Detached	Multi-Unit	Total Dwellings
1991-92	10,348	8,110	18,458	1991-92			18,568
1992-93	12,264	11,560	23,824	1992-93			21,876
1993-94	13,736	12,251	25,987	1993-94			20,799
1994-95	13,798	16,716	30,514	1994-95			24,694
1995-96	11,631	13,335	24,966	1995-96			23,085
1996-97	13,891	15,987	29,878	1996-97			22,225
1997-98	15,343	17,493	32,836	1997-98			22,639
1998-99	14,566	18,079	32,645	1998-99	10,730	16,759	27,489
1999-00	14,815	15,185	30,000	1999-00	10,192	20,417	30,609
2000-01	9,266	11,442	20,708	2000-01	9,927	19,124	29,051
2001-02	12,283	17,574	29,857	2001-02	10,482	17,241	27,723
2002-03	10,195	18,450	28,645	2002-03	7,358	15,115	22,473
2003-04	9,273	18,210	27,483	2003-04	5,003	17,581	22,584
2004-05	6,943	13,339	20,282	2004-05	3,997	15,545	19,542
2005-06	6,172	10,494	16,666	2005-06	3,153	14,460	17,613
2006-07	6,353	10,467	16,820	2006-07	3,952	10,763	14,715
2007-08	6,641	11,091	17,732	2007-08	3,504	10,358	13,862
2008-09	5,960	7,676	13,636	2008-09	3,855	9,186	13,041
2009-10	8,159	11,151	19,310	2009-10	4,406	8,887	13,293
2010-11	8,393	14,047	22,440	2010-11	5,095	9,627	14,722
2011-12	8,494	15,966	24,460	2011-12	5,598	9,506	15,104
2012-13	10,420	19,955	30,375	2012-13	8,905	11,436	20,341
2013-14	12,743	26,347	39,090	2013-14	8,173	14,568	22,741
2014-15	15,410	31,356	46,766	2014-15	9,085	18,220	27,305
2015-16	17,298	37,556	54,854	2015-16	9,619	20,571	30,190
2016-17	18,031	37,964	55,995	2016-17	10,751	23,642	34,393
2017-18	18,375	34,996	53,371	2017-18	11,674	30,509	42,183
2018-19	15,979	23,666	39,645	2018-19	12,599	29,815	42,414
2019-20	14,035	18,331	32,366	2019-20	6,928	25,536	32,464



Source: DPIE: <https://www.planning.nsw.gov.au/Research-and-Demography/Metropolitan-Housing-Monitors>

The above can be attributed to Tom Forrest, CEO, Urban Taskforce. All documents referred to above available on request.

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

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