

2<sup>nd</sup> February 2023

### Strong performance in apartment approvals drives solid NSW housing approvals data - ABS

Urban Taskforce CEO, Tom Forrest, today welcomed the latest ABS data which shows that in the month of December 2022, the NSW planning system delivered almost 5,000 approvals for new dwellings. This is a good result. The NSW planning system was the stand-out in the month of December.

Today's ABS data reveals a reversal in the performance on apartment approvals. Apartment approvals were up from a disastrous 1,111 in November 2022 to a solid 2,822 in December.

The strong performance in NSW in December reflects a renewed focus on housing supply and this is flowing through the Department of Planning and also those at Council level. But this result must be replicated and improved on. The 12 month data to December 2022 shows that NSW remains behind the 12 month results to December 2021 – with a reduction in overall annual approvals of 14.5% (12 months to Dec 2021 = 62,334 12 months to Dec 2022 = 53,293 representing a reduction in approvals on 9,041).

Table 1 below shows the extent of the challenge ahead. The approvals in the years 2015-2017 were at the level that we need to get back to if we are to see improvements in housing affordability and lower levels of rent stress.

NSW new annual dwelling Approvals (total)	
12 months till Dec 2022	53,293
12 months till Dec 2021	62,334
12 months till Dec 2020	50,841
12 months till Dec 2019	51,999
12 months till Dec 2018	65,624
12 months till Dec 2017	72,536
12 months till Dec 2016	74,800
12 months till Dec 2015	71,467
12 months till Dec 2014	55,925
12 months till Dec 2013	49,045

Table 1: Data derived from ABS 8731001 published 2/2/2023

Last 12 months in NSW - month by month approvals data			
	Multi Unit Dwellings	Houses	Total
Dec-22	2,822	2,176	4,998
Nov-22	1,111	2,256	3,367
Oct-22	1,937	2,243	4,180
Sep-22	2,814	2,221	5,035
Aug-22	3,592	2,459	6,051
Jul-22	1,728	2,216	3,944
Jun-22	2,060	2,306	4,366
May-22	2,195	2,081	4,276
Apr-22	1,812	2,386	4,198
Mar-22	1,716	2,405	4,121
Feb-22	2,450	2,508	4,958
Jan-22	1,785	2,014	3,799

Table 2: Data derived from ABS 8731001 published 2/2/2023

There will be increased demand for housing in 2023 arising from:

- Strong demand arising from the built up under supply of approvals and housing completions over the past 10 years
- A return to strong levels of immigration – with calls from many for these to be increased even further
- The declaration from the Chinese Government that all students must return to face-to-face teaching or risk not having their qualifications recognised (this is likely to see a sudden surge in demand).
- The desperate need to reduce rampant rental price inflation.

One month does not make a summer – but this month's ABS data is a strong performance, heading in the right direction.

The comments and analysis above can be attributed to Tom Forrest, CEO, Urban Taskforce.

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