

MEDIA RELEASE

12th April 2023

ABS Data on NSW Housing Completions and Commencements shows the size of the task facing the Minns Government

Urban Taskforce CEO, Tom Forrest, said that ABS data released today showed that NSW housing completions collapsed to less than 11,000 in the December 2022 quarter, a fall of more than 13% from the previous quarter.

The ABS data recorded a low-ball 12,583 **completions** in NSW in the September 2022 quarter. For the December quarter, it was only 10,931.

New housing **commencements** in NSW also went backwards in the December quarter (down from 11,784 in Sept 2022 to 11,397 in December 2022). On concern is the extent to which the housing supply pipeline is drying up. The same period last year (the December quarter ending December 2021) saw 13,365 new home commencements and that quarter was impacted by the spread of the Omicron COVID-19 variant. The data shows that this year saw a drop in **commencements** of 15%.

Clearly interest rate rises have had an impact on new commencements. But also critical has been the malaise in the NSW planning system which completely failed to get ahead of the game during the COVID period by having approvals ready to be activated as soon as the recovery from the pandemic came through.

Instead of hitting the accelerator on planning assessments during COVID, the data shows that the system went into a deep sleep.

It all points to a long road to recovery on housing supply and no end in sight for the housing supply and rental affordability crisis which looks set to deteriorate over the course of the next 12-18 months.

The newly elected Minns Government in NSW has a clear mandate for significant planning reform and Chris Minns has been up-front in recognising that housing supply is a critical challenge. Urban Taskforce welcomes recent comments by the Premier linking housing supply to planning reform, as well as ensuring a fairer share of housing across Greater Sydney.

You don't get housing supply without housing approvals and herein lies the first cause of the crisis we currently face. Today's ABS data is disastrous when compared with the 17,000 to 20,000 quarterly commencements achieved in NSW 2016-18, and quarterly completions rates between 18-19,000 in the years 2018-19.

Now, more than ever, we need to incentives for the private sector, who will need to build 96% of our future housing stock, to deliver the housing that a growing NSW needs. Those incentives could come in the form of a faster, more predictable planning system that could be relied upon to deliver a predictable outcome. That in itself would be a massive step forward rather than the multiple layers of a Russian Roulette planning system the property development sector faces today.

With NSW expecting to house an additional 200,000 migrants over both this financial year and the next (ending June 30, 2024), urgent action of housing is required.

Today's ABS data also shows the huge gap between recent performance in housing supply in NSW and the expectations of the Commonwealth's Housing Accord - which will see NSW expected to deliver around **64,000 new homes each year for five years** from 2024.

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.

Media Enquires: Tom Forrest, Chief Executive Officer: 0429 460 863

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