

MEDIA RELEASE

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ABS Data on NSW Housing Commencements and Completions – the data does not lie and the news is not good

Under the terms of the National Housing Accord signed at the National Cabinet by Premier Chris Minns, NSW is required to deliver 376,000 new private sector homes over the five years beginning 1st July 2024.

Today, the ABS released new home commencement and completions data for the June Quarter, allowing a comparison of the current performance with that over prior financial years.

Urban Taskforce has done a deep dive into the numbers and the news is bleak.

The key facts are:

- NSW has signed up to deliver 75,000 each year for five years, starting in the middle of next year (a total of 376,000 over 5 years)
- In the 12 months to the end of June 2023, NSW saw only 48,640 new dwellings completed.
- During the same period, only 48,604 new dwellings were commenced.

Financial Year	NSW Completions			NSW Commencements		
	Houses	Multi unit dwellings	Total	Houses	Multi unit dwellings	Total
2022-23	25,216	23,424	48,640	25,654	22,950	48,604
2021-22	24,733	20,216	44,949	29,299	26,103	55,402
2020-21	23,142	28,455	51,597	29,853	28,916	58,769
2019-20	25,428	33,797	59,225	22,872	26,879	49,751
2018-19	31,599	42,250	73,849	28,902	32,764	61,666
2017-18	27,874	36,733	64,607	30,611	40,522	71,133
2016-17	27,532	34,659	62,191	28,493	44,495	72,988
2015-16	24,932	27,616	52,548	27,652	41,972	69,624
2014-15	23,458	23,082	46,540	25,198	31,510	56,708
2013-14	19,835	18,561	38,396	22,283	24,478	46,761

ABS Seasonally Adjusted data: Series 87520034

With the latest housing approvals data showing that planning approvals are going backwards, with only 48,765 over the 12 months ending August 2023, there needs to be a massive change in planning policy and practice to turn this around.

Now, more than ever, we need incentives for the private sector, which 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.

The infill affordable housing bonus provisions are a step in the right direction, but have been hampered to date by pushback from a number of Councils, which have consistently opposed apartments and density.

The NSW Government is soon to finalise its amendments to the Housing SEPP to establish the affordable housing height and density bonus, and has been consulting extensively with industry. We are hopeful that changes to the draft amendments to the SEPP will make market and affordable housing more feasible, thus delivering more market housing as well as more affordable housing. This will be an important first step towards turning things around.

The size of the task facing all of the States is massive. Both Queensland and Victoria have effectively implemented State Government-led assessment and determination processes for large housing projects.

In Queensland, projects will be called in on a case-by-case basis by the Minister for Planning, assessed by the Planning Department and determined by the Planning Department.

In Victoria, projects with a value greater than \$50 million will be assessed by the Department and determined by the Minister, with a target timeframe for the assessment of only 4 months.

These are bold reforms and perhaps it is not fair to call on the NSW Government to jump so high, so soon into their term of office. But Queensland and Victoria have gone for big and bold reform to tackle housing supply. NSW is further behind as a result of the poor housing supply performance over the past two decades.

The ABS numbers don't lie and they are telling us that bold reform is needed here in NSW too.

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.*

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